



CITY COUNCIL REGULAR SESSION AGENDA
Monday, May 16, 2016 - 6:00 PM

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

This is an opportunity for members of the audience to bring to the Council's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others

4. PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Any formal proclamations or recognitions by the Mayor and Council can be placed in this section. Brief presentations to the City Council of five minutes or less are also included in this part of the agenda.

4.A. Proclamation - Recognizing Lincoln County Sheriff Dennis Dotson on His Retirement - Mark Miranda, Police Chief

[Proclamation - Recognizing Dennis Dotson.pdf](#)

4.B. Proclamation: EMS Week - Amanda Yount

[EMS Proclamation 2016.pdf](#)

5. CONSENT CALENDAR

The consent calendar consists of items of a repeating or routine nature considered under a single action. Any Councilor may have an item on the consent agenda removed and considered separately on request.

5.A. Approval of Work Session Minutes - May 2, 2016

[May 2, 2016.docx](#)

5.B. Approval of Regular Session Minutes of May 2, 2016

[May 2, 2016.docx](#)

5.C. Authorization for Administrative Approval of 2016 OLCC License Renewals

[City Manager Report and Recommendation- Administrative Approval 2016 OLCC Renewals.pdf](#)

[2016 Annual OLCC approval.docx](#)

[2016 OLCC Renewal List.pdf](#)

5.D. Approval of a Recommendation to the Oregon Liquor Control Commission (OLCC) to issue a Full-On Premise Sales Liquor License for a New Outlet to Clearwater Restaurant, located at 325 SW Bay Boulevard

[City Manager's Report and Recommendation -- OLCC-Clearwater Restaurant.pdf](#)

[Clearwater Restaurant.doc.docx](#)

[OLCC application for Clearwater Restaurant.pdf](#)

6. PUBLIC HEARING

This is an opportunity for members of the audience to provide testimony/comments on the specific issue being considered by the City Council. Comments will be limited to three (3) minutes per person.

6.A. Public Hearing - Consideration and Possible Adoption of Ordinance No. 2097 Imposing a 3% Tax on Recreational Marijuana Sales in the City of Newport

[City Manager Report and Recommendation-Public Hearing-Ord. No. 2097-3 Percent Tax and Refer to Voters in November.pdf](#)

[Ord. No. 2097 - Imposing a Tax on Marijuana and Marijuana Products.docx](#)

6.B. Public Hearing and Consideration of Adoption of Resolution No. 3749 Approving a Rate Structure for Thompson's Sanitary Service, Inc. for Solid Waste Recycling and Composting beginning July 1, 2016

[City Manager Report and Recommendation-Public Hearing-Adopt Resolution No. 3749-Thompsons Sanitary Services.pdf](#)
[Res. No. 3749 - Thompson's Sanitary Service 2016 Rates.pdf](#)
[Request for 2016 Rate Adjustment.pdf](#)
[Resolution No. 3719.pdf](#)

7. COMMUNICATIONS

Any agenda items requested by Mayor, City Council Members, City Attorney, or any presentations by boards or commissions, other government agencies, and general public will be placed on this part of the agenda.

- 7.A. From Lincoln County Transit, Annual Report, Cynda Bruce, Program Director**
[City Manager Report and Recommendation- From Lincoln County Transit.pdf](#)
[Lincoln County Transit Annual Report.pdf](#)

- 7.B. From Environment Oregon Regarding Solarize Request - Charlie Fisher**
[City Manager Report and Recommendation-Environment Oregon, Solarize Lincoln County Presentation.pdf](#)
[Newport Solarize presentation.pdf](#)

8. CITY MANAGER'S REPORT

All matters requiring approval of the City Council originating from the City Manager and departments will be included in this section. This section will also include any status reports for the City Council's information.

- 8.A. Approval of Intergovernmental Agreement between the City of Newport and Lincoln County for Building Code Services**
[City Manager Report and Recommendation-Approval of Intergovernmental Agreement for Building Code Services.pdf](#)
[Agenda Summary](#)
[Building Services IGA - 2016](#)
[Existing Building Service IGA - 2009](#)
[Contract with Clair Company, Inc. - 2015](#)
- 8.B. Consideration and Possible Adoption of Resolution No. 3745 Calling for an Election on the Imposition of a 3% Tax on the Sale of Recreational Marijuana in the City of Newport**
[City Manager Report and Recommendation-Resolution No. 3745, Calling for Election -- 3 Percent Room Tax.pdf](#)
[Res. No. 3745 - Calling for an Election on the Referral of Ord. No. 2097 - Marijuana Taxation.docx](#)

8.C. Consideration and Possible Adoption of Resolution No. 3750 - Revised Council Rules

[City Manager Report and Recommendation- Resolution No. 3750 Amending Council Rules.pdf](#)

[Res. No. 3750 - Council Rules Revision.docx](#)

[Council Rules - Working Draft.docx](#)

8.D. Authorization of a Letter of Understanding with the Newport Employees Association

[City Manager Report and Recommendation-MOU with Newport Employees Association.pdf](#)

[MOU CBA Re-Opener.pdf](#)

9. LOCAL CONTRACT REVIEW BOARD

9.A. Notice of Intent to Award and Negotiate an Actuary Services Contract with Silverstone Group

[City Manager Report and Recommendation- Notice of Intent to Award Actuary Services.pdf](#)

[Staff Report - Actuary Services Award and Contract to CC-Final.pdf](#)

[Silverstone Response.pdf](#)

[Actuary Scoring sheet.pdf](#)

10. REPORT FROM MAYOR AND COUNCIL

This section of the agenda is where the Mayor and Council can report any activities or discuss issues of concern.

11. PUBLIC COMMENT

This is an additional opportunity for members of the audience to provide public comment. Comments will be limited to five (5) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.

12. ADJOURNMENT



PROCLAMATION OF APPRECIATION
TO SHERIFF DENNIS L. DOTSON
ON HIS RETIREMENT

WHEREAS, Dennis L. Dotson has been Sheriff of Lincoln County since 2003; and

WHEREAS, Sheriff Dotson retired from the Oregon State Police where he had been a member since 1974; and

WHEREAS, Sheriff Dotson served as the OSP Station Commander in Newport for ten years; and

WHEREAS, Sheriff Dotson modernized the Sheriff's Office along with updating policies and procedures of the Office; and

WHEREAS, Sheriff Dotson worked toward a higher level of cooperation with all of the law enforcement agencies in Lincoln County; and

WHEREAS, Sheriff Dotson ensured that his office was ready at any time to assist the Newport Police Department with any major investigation, or operation of mutual interest.

NOW THEREFORE, I, Sandra N. Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim the city's gratitude and appreciation to Sheriff Dennis L. Dotson upon his retirement from the Lincoln County Sheriff's Office.

Dated: May 16, 2016

Sandra N. Roumagoux, Mayor





**PROCLAMATION
EMS Week
MAY 15 - 21, 2016**

WHEREAS, emergency medical services are a vital public service; and
WHEREAS, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, the emergency medical services system consists of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, first responders, educators, administrators, and others; and

WHEREAS, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

WHEREAS, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week.

NOW, THEREFORE, I, Sandra N. Roumagoux, Mayor of the City of Newport, Oregon, do hereby proclaim the week of May 15 - 21, 2016 as EMS Week in the City of Newport, and with the theme, EMS: Called to Care, I encourage the community to observe this week with appropriate programs, ceremonies, and activities.

Dated: May 2, 2016

Sandra N. Roumagoux, Mayor

May 2, 2016
11:37 A.M.
Newport, Oregon

The Newport City Council met in a work session at the above time in the Conference Room A of the Newport City Hall. On roll call, Swanson, Busby, Engler, and Sawyer were present. Saelens arrived at 12:25 P.M.

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, and Community Development Director Tokos.

ROLL CALL

Roll was called.

EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(e) TO DISCUSS REAL PROPERTY TRANSACTIONS

MOTION was made by Swanson, seconded by Sawyer, to enter executive session pursuant to ORS 192.660(2)(e) to discuss real property transactions. The motion carried unanimously in a voice vote, and Council entered executive session at 11:38 A.M.

MOTION was made by Swanson, seconded by Engler, to leave the executive session and return to the work session. The motion carried unanimously in a voice vote, and Council returned to its work session at 12:09 P.M.

AMEND AGENDA

Nebel asked that the agenda be included to add the selection of a chair for the evening's regular City Council meeting as both Mayor Roumagoux and Council President Saelens are unable to attend. MOTION was made by Sawyer, seconded by Engler, that Busby be selected to chair the regular meeting this evening. The motion carried unanimously in a voice vote.

TRAINING ON I-PADS FOR USE WITH GRANICUS SOFTWARE

I-Pads for use by the City Council with the Granicus agenda/meeting management software were distributed to those Councilors in attendance.

Carolyn Maroney, from Granicus, demonstrated the use of the I-Pads and the I-Legislate software that Councilors will be using to review packets and during Council meetings.

Council agreed to develop a list of questions related to the use of the software which could be responded to at a later date.

It was noted that a draft of updated Council Rules with a revision to address the issuance/use of city-issued I-Pads had been distributed earlier. It was suggested that when Council considers adopting the revised Council Rules, that the Rules also include a new section on communication with the City Attorney.

ADJOURNMENT

Having no further business, the meeting adjourned at 1:30 P.M.

CITY COUNCIL MEETING
Oregon

May 2, 2016
6:00 P.M.
Newport,

ROLL CALL

The Newport City Council met on the above date in the Council Chambers of the Newport City Hall. On roll call, Busby, Sawyer, Swanson, and Engler were present. Allen arrived at 6:29 P.M. Roumagoux and Saelens were excused. At a work session earlier in the day, it was the consensus of Council that Busby chair this meeting as the Mayor and Council President were unable to attend.

Staff in attendance were: Spencer Nebel, City Manager; Peggy Hawker, City Recorder/Special Projects Director; Derrick Tokos, Community Development Director; Tim Gross, Public Works Director; Mike Murzynsky, Finance Director; and Jason Malloy, Police Lieutenant.

PLEDGE OF ALLEGIANCE

Council, staff, and the audience participated in the Pledge of Allegiance.

PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Oath of Office – Calvin Davis, Newport Police Officer. Malloy introduced Calvin Davis, the city's newest Police Officer. Davis wife pinned his badge, and Hawker administered the oath of office.

Proclamation – Police Week – Jason Malloy. Busby proclaimed the week of May 15 – 21 as Police Week in the City of Newport. Malloy accepted the proclamation on behalf of the Police Department.

Proclamation – Older Americans Month 2016. Swanson read a proclamation proclaiming May 2016 as Older Americans Month in the City of Newport. Vada Robinson accepted the proclamation on behalf of the 60+ Center.

Recognition of Completion of the Community Emergency Response Team (C.E.R.T.) Certification – Dean Sawyer. Sawyer made a PowerPoint presentation which included: preparing for a disaster; responding to a disaster; Coast Guard landing site at Agate Beach Golf Course; assist with tsunami warning response; assist with Loyalty Days parade; non-disaster CERT roles; team coordination; team learning; CERT training; CERT exercise; and the fire extinguisher class. Busby distributed certificates of

completion to: Murray Tilson, Linda Grose, Scott Rosen, Jon Sumpter, Pam Doran, Akia Woods, Nancy Tilson, Jane Heida, Robert Heida, and Carole Fisher.

CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of City Council work session minutes of April 18, 2016; and
- B. Approval of City Council minutes from the regular meeting of April 18, 2016.

MOTION was made by Engler, seconded by Swanson, to approve the consent calendar, as presented. The motion carried unanimously in a voice vote.

PUBLIC HEARINGS

Public Hearing – Ordinance No. 2094 – Repealing and Re-enacting Chapter 12.05 of the Newport Municipal Code Pertaining to Local Improvement Districts.

Hawker introduced the agenda item. Nebel reported that at the April 18 Council meeting, the Council adopted Ordinance No. 2093 which is an ordinance amending the Comprehensive Plan Policies relating to the use of local improvement districts for financing public infrastructure improvements benefiting property owners. He stated that with those policies adopted, Council can consider approving an ordinance which would amend the Municipal Code pertaining to local improvement districts.

Nebel reported that the Planning Commission appointed a technical advisory committee of internal and external stakeholders to work with the consulting firm of FCS Group to develop model policies and codes for utilizing Local Improvement Districts to fund public infrastructure projects in the city. He stated that this effort was funded by a Transportation Growth and Management grant that the city obtained in 2014. He noted that the Planning Commission has reviewed the existing code provisions relating to Local Improvement Districts and recommends that the ordinance be adopted by Council.

Nebel reported that LID's are a way in which a portion of the new infrastructure cost can be assessed on properties benefitting by those improvements. He stated that the policy provides that LID's may be initiated by petition or resolution of Council. He noted that the proposed ordinance has been modified from the April 18 meeting to reflect Swanson's concerns about a small assessment not being eligible to be paid over time. He added that a provision has been added that an exception can be made by the City Manager to authorize a payment plan for assessments under \$500.

Nebel reported that the proposed ordinance provides the requirements for various hearings on establishing the districts and on the final assessment proposed on property owners relating to eligible improvements. He stated that the ordinance also provides that districts can be initiated by 75% of the property benefitted by the proposed public improvement or by Council. He added that the ordinance places an alternate cap on LIDs in developed residential areas at no more than 10% of the assessed valuation of properties in the boundaries of the proposed district. He stated that for undeveloped

properties, the LIDs would be limited to 50% of the assessed valuation of the effected property. He noted that the ordinance provides that if the property owners owning one half or more of the property in the district remonstrate against the improvement, Council shall suspend formation of the district for a period not less than six months unless the Council unanimously declares the LID improvement to be needed due to an emergency, or to remedy infrastructure in chronic disrepair.

Nebel reported that the general intent of LIDs is for individual property owners to pay their share of a public improvement specifically benefitting their property, and for the city to bear the costs that should be supported by the citizens of the city as a whole. He stated that the ordinance provides a number of methods in which Council can assess benefits on properties including front footage, assessed valuation, land area, by water or sewer connections, or other similar methods. He added that Council has the authority to allocate a portion of any of these costs to be paid by the citizens as well.

Nebel reported that in general, the ordinance provides specific instructions for establishing districts and notifying property owners of assessments and providing various rights of the property owners to remonstrate against the project. He stated that the ordinance provides a general framework for determining what part of a project is a direct benefit of the property owners and what part of the project is a benefit of the city.

Nebel reported that he thinks it will be very important to follow-up the adoption of this ordinance with a general policy statement outlining how these provisions would be administered for specific types of projects in the city. He stated that this will be very important prior to initiating any LIDs. He noted that consistency in how these are handled is key to the success in utilizing LIDs. He added that the districts need to be fair and reasonable both to the affected property owners as well as to the citizens of the city who finance these projects. He stated that it is staff's intent to schedule a work session with the Council to discuss the specific applications of LIDs to specific types of projects if the ordinance is approved by Council.

Nebel reported that LIDs can be an important part of the city's effort to renew infrastructure, but that LID's must be administered in a very fair and consistent fashion for them to be supported in the community.

Busby opened the public hearing on Ordinance No. 2094 at 6:29 P.M. He called for public comment. There was none. He closed the public hearing at 6:30 P.M. for Council deliberation.

MOTION was made by Sawyer, seconded by Engler, to read Ordinance No. 2094, an ordinance repealing and re-enacting Chapter 12.05 of the Newport Municipal Code pertaining to Local Improvement Districts, by title only, and place for final adoption. The motion carried unanimously in a voice vote.

Voting aye on the adoption of Ordinance No. 2094 were Sawyer, Swanson, Busby, Engler, and Allen.

Public Hearing – Consideration and Possible Adoption of Ordinance No. 2095 Annexing City-Owned Property Surrounding the Big Creek Reservoirs. Hawker introduced the agenda item. Nebel reported that almost two years ago, the Council initiated the annexation of city-owned land which surrounds the Big Creek Reservoirs. He stated that the territory to be annexed was brought into the Urban Growth Boundary in 2014 and the process was placed on hold until Lincoln County legalized the

alignment for Big Creek Road. He noted that this fall, Lincoln County completed the legalization process, and that all property proposed for annexation is city-owned property. He stated that in preparation for the Planning Commission hearing, a required notice was provided to the Department of Land Conservation and Development, as well as surrounding property owners, city departments, other public agencies and utilities, and other individuals. He added that a notice of a public hearing was also published in the Newport News-Times twice, and that on March 28, 2016, the Planning Commission held a public hearing voting unanimously to recommend approval by the City Council. He noted that proper notice has been placed for the Council's public hearing on annexation. He stated that if Council authorizes the annexation, Lincoln County will initiate a jurisdictional transfer of those portions of Big Creek Road that abut the city properties. He added that this will simplify future developments that occur in the reservoir property relating to the road. He noted that the annexation includes approximately 323 acres of land, and the proposed zoning for this land would be P-1-Public Structures.

Busby opened the public hearing on Ordinance No. 2095 at 6:32 P.M. He called for public comment. There was none. He closed the public hearing at 6:33 P.M. for Council deliberation.

Allen asked Tokos whether there was anything he wished to add. Tokos noted that Council has done a lot of work on this issue, and he reviewed the history. He noted that there had been a discussion regarding the need for a maintenance agreement for the road. He stated that in Gross' opinion, the Public Works Department staff is capable of maintaining the road so that a maintenance agreement would not be necessary. He added that the state has asked for technical changes to the legal description, and he recommended approval of the ordinance subject to the technical changes requested by the state.

MOTION was made by Engler, seconded by Swanson, to read Ordinance No. 2095, an ordinance annexing territory to the City of Newport, withdrawing the annexed territory from the Newport Rural Fire Protection District and the Lincoln County Library District, and establishing zoning for the annexed territory, subject to technical corrections from the Oregon Department of Revenue provided those changes are consistent with the boundary, by title only, and place for final passage. The motion carried unanimously in a voice vote.

Voting aye on the adoption of Ordinance No. 2095 were Allen, Engler, Swanson, Busby, and Sawyer.

Public Hearing on Imposing a 3% Tax on Marijuana in the City of Newport.

Hawker introduced the agenda item. Nebel reported that under House Bill 3400, local governments may adopt an ordinance which must be referred to the voters imposing a tax or fee up to 3% on the retail sale of marijuana items. He stated that this ordinance must be referred to voters in a general election.

Nebel reported that if Council wishes to have this question placed on the ballot, an ordinance and resolution calling for an election would need to be approved by the Council. He stated that Hawker and Rich have developed drafts of an ordinance and a resolution that could be used for this purpose.

Nebel reported that during the recent legislative session, the Department of Revenue was authorized to collect the local tax. He stated that this would be accomplished in a similar fashion as to how the local gas taxes are collected and remitted by the state to local governments.

Nebel reported that it would be appropriate for Council to consider whether this tax would be imposed only on recreational marijuana. He stated that there is currently no apparent prohibition for the city levying a local tax on medical marijuana, but that during previous discussions, the focus of local taxation appeared to be strictly related to recreational marijuana products.

Nebel reported that there have been suggestions from staff regarding earmarking this funding for a specific purpose (parks, law enforcement, or other efforts in the community). He stated that it was thought that earmarking the monies may make the ballot issue more attractive knowing that the revenues will be used for a specific purpose.

Busby opened the public hearing at 6:41 P.M. He called for public comment. There was no comment, but he noted that he had received two e-mails with one opposed to taxation of marijuana and one in support of taxation. He closed the public hearing at 6:42 P.M. for Council deliberation.

A discussion ensued regarding whether to earmark all or a part of the proceeds from the taxation of marijuana. It was the consensus of Council that the funds not be earmarked, and that an ordinance and resolution be brought to Council for further consideration.

COMMUNICATIONS

Communication from the Budget Committee – Adoption of Resolution No. 3748, a Resolution Revising the Financial Policy for the City of Newport Related to Financial Reserves, Contingencies, and Unappropriated Ending Fund Balances. Hawker introduced the agenda item. Nebel reported that the Budget Committee reviewed revisions to the city's fund balance, contingencies and reserves policy, and unanimously recommended that Council consider approving the new policy.

Nebel reported that in developing a budget for the 2016/2017 Fiscal Year, he, Murzynsky, and Brown worked to make the budget process compliant with the Department of Revenue rules and guidelines. He stated that the state has very specific and detailed requirements for local governments to follow.

Nebel reported that the packet contains a draft policy that was reviewed by the Budget Committee. He reviewed the significant changes and responded to Council questions.

MOTION was made by Swanson, seconded by Sawyer, to adopt Resolution No. 3748, a resolution repealing Resolution No. 3534, and revising the Financial Policy for the City of Newport relating to Reserves, Contingencies, and Unappropriated Ending Fund Balances. The motion carried unanimously in a voice vote.

CITY MANAGER'S REPORT

Report on Financial Matters for the Quarter Ending March 31, 2016. Hawker introduced the agenda item. Nebel reported that Murzynsky has prepared the third

quarter financial reports for the city. He stated that in reviewing the expenditures, most departments are in relatively good shape, and spending below the 75% threshold. He added that revenues are coming in as anticipated as well. He noted that there are no significant concerns, at this time, relating to the city's financial status, but that there will likely be a budget amendment prior to the end of the fiscal year to clean up any cost centers that are problematic. Busby thanked staff for the report.

Report on Financial Status of Capital Projects through March 31, 2016. Hawker introduced the agenda item. Nebel reported that the Finance Department has prepared a report on the various capital outlay projects budgeted in the 2015/2016 Fiscal Year as of March 31. He stated that this report will be incorporated in all future financial reports provided to Council. He added that staff will also begin reporting any projects over a \$1 million dollars, based on the 2015/2016 budget, and that this report will include contract dates, contract amounts, and completion dates.

Report on Vacation Rentals and Bed and Breakfast Establishments in the City. Hawker introduced the agenda item. Nebel reported that Council requested a report on the status of existing vacation rentals, options for modifying the regulation of vacation rentals, and whether a moratorium could be considered on new vacation rentals. He noted that the packet contains a report from Tokos that addresses a number of issues related to vacation rentals. He stated that the vacation rental code was reviewed and amended in 2012.

Nebel reported that since the changes were made to the code, the city has received 191 applications for vacation rentals with 149 currently registered. He added that Tokos report shows the distribution of the vacation rentals, but that the highest concentration is in the Nye Beach area. He stated that 50% of the vacation rentals are located in either multi-family or commercial zoning districts, 6% are located R-1 districts, 14% in R-2 districts, and 24% in W-2 districts.

Nebel reported that Council has several actions that they could consider including: 1.) taking no further action at this time; 2.) actively monitoring the vacation rental regulatory program with periodical reports from staff over the next six to twelve months; 3.) direct the Planning Commission to review vacation rental regulations and provide a recommendation to Council as to possible revisions to the current city rules; 4.) Council could direct the Planning Commission to address specific issues that Council would like to be considered in modifying the current vacation rental policies and; 5.) Council could seek additional analysis from staff on whether a moratorium can be justified given the statutory limitations.

Nebel reported that the actual complaints from vacation rentals under the new provisions have been minimal with just three complaints being recorded with the Community Development Department. He stated that the Police Department did not have any specific data since the officers may not know whether a problem is related to a vacation rental or just to a home, so there is limited data on that issue without researching each vacation rental address for specific complaints.

Nebel reported that local property managers have not indicated a change in long term rental properties converting to vacation rentals.

Nebel reported that his is not prepared to make a recommendation to proceed with any changes other than providing periodic reports to the Council on the numbers and

distribution of vacation rentals. He stated that if Council wishes to have staff pursue alternative measures, that he recommends those matters be referred to the Planning Commission.

Busby reported that he had received an e-mail from Patti Deliseo regarding parking on Spring Street.

Questions and issues raised by Council included: conversion of long-term rentals to vacation rentals; impact of vacation rentals on affordable housing; impact on neighborhoods by vacation rental dwellings; enforcement; concentration of vacation rentals in Nye Beach; development of "village" atmosphere; review of areas where affordable housing could be developed; the potential utilization of the visioning process to guide housing policy; development of "core" zones; percentage of vacation rentals in Newport versus other coastal communities; timing of visioning process; and planned new vacation rentals along Olive Street.

Nebel reported in listening to Engler, her concerns focus on the concentration of vacation rentals in Nye Beach, and what components, related to vacation rentals, should be included in a master plan for Nye Beach. He stated that staff could prepare a report for Council on potential broader strategies for a neighborhood plan.

A discussion ensued regarding the timing of the visioning process. Nebel reviewed the timeline for the visioning process, noting that it makes sense to allow the visioning process to dictate the overall flavor of what the city is looking for and incorporate it in the process.

Council concurred with the staff suggestion to provide quarterly reports on vacation rentals, and discuss the issue with the visioning committee.

Ferry Slip Road Slope Adjacent to Parking Alcove Near the SE 35th Street Intersection. Hawker introduced the agenda item. Nebel reported that the packet contains a report from Gross showing the detailed work that will be completed at this location. Gross reviewed the final project and Ferry Slip Road ditches. He explained the delay in completion of the project and responded to Council questions.

REPORT FROM MAYOR AND COUNCIL

Busby reported that he attended the Safe Haven Hill dedication which was a nice event.

Swanson reported that the 60+ Advisory Committee is continuing its membership drive; planning an open house in mid-May; continuing to work with John Baker on long-range planning; and working on a variety of outside educational programs.

Swanson reported that she attended a recent meeting of the city's Emergency Management Committee. She noted that a radio station in Bend has agreed to broadcast information for the coast in the event of an emergency. She noted that recruitment of the Emergency Management Coordinator is continuing, and that the Cascadia Rising event is scheduled, and Council will be invited to participate.

Swanson reported that she attended the Meet the Artist reception for CJ Rench.

Swanson reported that she attended the recent Chamber luncheon for the kick-off of Loyalty Days, and was impressed with princesses.

Swanson reported that she attended the Safe Haven Hill dedication and noted that it is an impressive project.

Swanson reported that she attended the 60th annual Loyalty Days parade. She noted that there were many entries, and that she was pleased to see the Library entry.

Busby reported that CJ Rensch, the city's Percent for the Arts project artist, was a trouper as he participated in a great deal of community outreach during his recent visit.

Sawyer reported that the Destination Newport Committee is very concerned about the closure of Highway 20, and that a marketing campaign is needed to address this issue in addition to routine marketing. He stated that the DNC is advertising with the Corvallis Knights and the Eugene Emeralds baseball teams. He talked about the possibility of the PAC funding a brochure that would include upcoming events.

Sawyer reported that he toured the Highway 20 project with Nebel. He noted that the project should be completed in the fall. He reviewed aspects of the project including the animal crossing tunnel.

Sawyer reported that he attended a recent CWAOT meeting at which the Highway 20 project was discussed along with ConnectOregon applications. He added that Newport is still in the top five of the ConnectOregon applications.

Allen reported that he attended the Safe Haven Hill dedication, and noted that it is nice to see the hill in its current configuration.

Engler reported that she had received a letter from Katie McNeil, of the Farmer's Market, requesting city support for a marketing grant.

Engler reported that she attended the recent volunteer dinner and won a basket. She complimented staff on organizing that event.

Engler reported that she attended a recent meeting of the Nye Beach Merchants Association. She distributed the NBMA's new brochure. She noted that McConnell gave a presentation on the upcoming Color Run, and noted that the VAC had a successful Paper Arts Festival. She added that Protiva attended the meeting and discussed the bench that had been placed at the Turnaround.

Engler reported that the Know Your Newport training will be held on May 18.

Engler reported that the Lincoln County Transit had funding for improved signage.

Engler reported that she attended the planting of the hope tree in recognition of sexual violence month.

Engler reported that she attended the recent meeting of the Budget Committee.

Engler reported that she attended the Meet the Artist reception with CJ Rensch; the Safe Haven Hill dedication; the Loyalty Days events; and Rick Bartow's memorial. She added that the emergency ham radio group conducted a 24-hour radio test at Don Davis Park.

Engler requested an excused absence from the Council meetings of May 16 and July 18. MOTION was made by Allen, seconded by Swanson, to excuse Engler from the Council meetings of May 16 and July 18. The motion carried unanimously in a voice vote.

Busby noted that the Nye Beach brochure was quite nice, and added that it would be great to have a similar brochure for the entire city.

Engler asked when the parking study would be completed. Tokos reported that it would be finished no later than February of 2017.

Allen reported that he attended the volunteer appreciation dinner, and complimented staff on a job well done.

PUBLIC COMMENT

Chantal, representing Vacasa, reported that she was available to respond to questions regarding Vacasa's policies. She stated that the company has a good neighbor policy and wants to work with the city and contribute to the community. She noted that the Vacasa team is local and manages properties from Otter Rock to Yachats. She added that Vacasa manages approximately 120 properties in this area, and most are from homeowners who previously managed their own properties.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:35 P.M.

Margaret M. Hawker, City Recorder

Sandra N. Roumagoux, Mayor

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:5.C.
Meeting Date: 5-16-16

Agenda Item:

Authorization for Administrative Approval of 2016 OLCC License Renewals

Background:

The Police Department has reviewed activity with the various liquor licenses that are issued in the community. This year there are no recommendations that warrant further investigative review prior to reissuance of any of these licenses.

Recommendation:

I recommend the City Council authorize the renewal licenses to be issued.

Fiscal Effects:

The city receives a fee for the renewals.

Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel, City Manager



Noble
Professional
Dedicated

Newport Police Department **Memorandum**

*One Team - One
Future*

Date: May 11, 2016
To: Spencer Nebel, City Manager
From: Mark J. Miranda, Chief of Police
Subject: **Annual OLCC License Review**

No OLCC licensees' activities have risen to the level, this last year, that warrants further investigation prior to the annual license approval by the City Council.

City of Newport, Attn: Finance Dept
 NEWPORT
 169 SW Coast Hwy
 Newport, OR 97365

RENEWAL NOTIFICATION PROCESS

It's time again for liquor license renewals in your area. Liquor licenses are due to expire **6/30/2016**. Attached is the list of licensees who are required to submit their renewal application to local government for comment. According to our records you charge:

\$35.00 Renewal Fee for ON-PREMISES \$35.00 Renewal Fee for OFF-PREMISES

We told applicants to mail your local government fees to the address on this letter.
PLEASE NOTIFY US IMMEDIATELY IF THE FEE(S) OR ADDRESS ARE INCORRECT

HOW TO MAKE A RECOMMENDATION

You have until 6/3/2016 to make your recommendation. Below are your options for renewals:

RECOMMEND APPROVAL

- 1. DO NOTHING.** If you do not submit a recommendation by **6/3/2016**, the OLCC will process the renewal application as a favorable recommendation.

RECOMMEND DENIAL (see additional information on page 2)

1. File an unfavorable recommendation, stating the grounds for the unfavorable (must meet the denial criteria on back of form); **OR**
2. Make a written request for additional time to complete an investigation. The request must state: 1) you are considering making an unfavorable recommendation; 2) the specific grounds being considered. **The grounds must be one referenced in Oregon Administrative Rule 845-005-0308(3).** If your request is granted you will be given a 45-day extension to file your unfavorable recommendation. Unfavorable means recommending denial of a license or requesting restrictions be placed on a license.

If you need assistance or would like to discuss a specific application, please contact your local OLCC office for help. Please send renewal recommendation correspondence to OLCC.Renewals@oregon.gov or OLCC License Renewals, P.O. Box 22297, Portland, OR 97269-2297. If you have questions, contact our license renewal section at 503.872.5138 or toll free at 1.800.452.6522 ext 5138.

REASONS WE MAY DENY OR RESTRICT A LICENSE
ORS 471.313(4)(5), OAR 845-005-0320, 845-005-0321, 845-005-0322
845-005-0325, 845-005-0326(4)(5) or 845-005-0355

The following is a list of problems relating to the **APPLICANT** or **BUSINESS** that OLCC can consider to refuse or restrict a license:

1. Applicant has a habit of using alcohol or drugs to excess
2. Applicant makes a false statement to OLCC (must be related to a refusal basis)
3. Applicant has been convicted of local, state or federal laws that are substantially related to the fitness of holding a liquor license
4. Applicant has demonstrated poor moral character
5. Applicant has a poor record of compliance when previously licensed by OLCC
6. Applicant is not the legitimate owner of the business
7. The business has a history of serious and persistent problems at this location. The problems can include:

obtrusive or excessive noise, music or sound vibrations
 public drunkenness
 fights or altercations
 harassment
 unlawful drug sales
 alcohol or related litter

OLCC is not able to consider the following issues when deciding to renew a liquor license:

lack of parking
 increase in traffic
 too many licenses in a specific area (saturation)
 entertainment type - nude dancing, gambling, live bands, etc.
 increased noise
 zoning issues

Visit www.oregon.gov/olcc/ to see the full text of ORS and OAR referenced above. In order for an unfavorable recommendation from a local government to be valid, the grounds must be found in the license refusal bases of ORS 471.313(4), 471.313(5), OAR 845-005-0320, 845-005-0321, 845-005-0322, 845-005-0325 or 845-005-0326(4)(5) or the license restriction bases of OAR 845-005-0355, and must be supported by reliable factual information.

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License No./ Premises No.		Tradename/Licensee/License Type	Premises Address & Phone	Premises Mailing Address
Lic.	219830	ABBY'S PIZZA INN OF NEWPORT	932 N COAST HWY	2722 NE STEPHENS
Prem.	4847	ABBY'S INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-672-1184	ROSEBURG, OR 97470
Lic.	219864	AGATE BEACH GOLF COURSE	4100 N COAST HWY	
Prem.	4860	AGATE BEACH GOLF COURSE INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-7331	
Lic.	227269	AGATE BEACH MARKET	4852 N COAST HWY	
Prem.	51641	ICNAVA INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-272-5060	
Lic.	219793	AMERICAN LEGION POST #116 NEWPORT	424 W OLIVE ST	
Prem.	8388	AMERICAN LEGION POST#116 NEWPORT F-CLU - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-9017	
Lic.	223047	APOLLOS RESTAURANT & NIGHTCLUB	836 SW BAY BLVD	3 OLALLA PLACE
Prem.	38193	D & B ENTERTAINMENT INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-9307	TOLEDO, OR 97391
Lic.	219822	APRIL'S AT NYE BEACH	749 NW 3RD ST	
Prem.	26955	A & K INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-6855	
Lic.	222880	ARR PLACE	143 SW CLIFF ST	
Prem.	28660	AYMEE ROMINES O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-4240	
Lic.	223208	ARR PLACE	143 SW CLIFF ST	
Prem.	28660	AYMEE ROMINES F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-4240	
Lic.	223362	ASIATICO WATERFRONT FUSION AND SUSHI	375 SW BAY BLVD UNIT E	906 SW 7TH ST UNIT C
Prem.	51785	ASIATICO SUSHI BAR INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-270-7526	NEWPORT, OR 97365
Lic.	223384	ASIATICO WATERFRONT FUSION AND SUSHI	375 SW BAY BLVD UNIT E	906 SW 7TH ST UNIT C
Prem.	51784	ASIATICO SUSHI BAR INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-270-7526	NEWPORT, OR 97365
Lic.	222042	BARGE INN	358 SW BAY BLVD	
Prem.	4854	PATRICK E WITHAM LLC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-8051	
Lic.	222043	BARGE INN	358 SW BAY BLVD	
Prem.	4854	PATRICK E WITHAM LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-8051	
Lic.	222431	BAY HAVEN INN	608 SW BAY BLVD	
Prem.	4858	LINDA P. LEWTON F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-7271	
Lic.	222470	BAY HAVEN INN	608 SW BAY BLVD	
Prem.	4858	LINDA P. LEWTON O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-7271	
Lic.	222494	BAYFRONT MARKET & DELI	644 SW BAY BLVD	
Prem.	48961	BAYFRONT MARKET LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-264-8488	

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<u>License No./ Premises No.</u>	<u>Tradename/Licensee/License Type</u>	<u>Premises Address & Phone</u>	<u>Premises Mailing Address</u>
Lic. 223827 Prem. 17564	BEVEN'S MARKET & DELI BY CORPORATION O - OFF-PREMISES SALES	960 SW COAST HWY NEWPORT, OR 97365 541-265-2722	
Lic. 223123 Prem. 52118	BIER ONE SHUNK'S LLC BP - BREWERY - PUBLIC HOUSE	424 SW COAST HWY NEWPORT, OR 97365 541-265-4630	
Lic. 221178 Prem. 21457	BREWER'S ON THE BAY OREGON BREWING COMPANY F-COM - FULL ON-PREMISES SALES	2320 OSU DR NEWPORT, OR 97365 541-867-3664	2320 OSU DR NEWPORT, OR 97365
Lic. 222835 Prem. 37386	CAFE MUNDO GREGORY C. CARD F-COM - FULL ON-PREMISES SALES	711 NW 2ND CT NEWPORT, OR 97365 541-574-8134	209 NW COAST ST NEWPORT, OR 97365
Lic. 222961 Prem. 8389	CANYON WAY RESTAURANT CANYON WAY FOOD SERVICE INC F-COM - FULL ON-PREMISES SALES	1216 SW CANYON WY NEWPORT, OR 97365 541-265-8319	
Lic. 222637 Prem. 47697	CARL'S JOHNSON ENTERPRISES AND VINEYARDS L - LIMITED ON-PREMISES SALES	715 NW BEACH DR NEWPORT, OR 97365 541-865-8665	
Lic. 222805 Prem. 47697	CARL'S JOHNSON ENTERPRISES AND VINEYARDS O - OFF-PREMISES SALES	715 NW BEACH DR NEWPORT, OR 97365 541-865-8665	
Lic. 222172 Prem. 40082	CHALET RESTAURANT & BAKERY CHALET RESTAURANT OF NEWPORT INC L - LIMITED ON-PREMISES SALES	2026 N COAST HWY N NEWPORT, OR 97365 541-265-6900	
Lic. 220025 Prem. 15395	CHOWDER BOWL AT NYE BEACH CHOWDER BOWL AT NYE BEACH INC L - LIMITED ON-PREMISES SALES	728 NW BEACH DR NEWPORT, OR 97365 541-961-6500	742 NW BEACH DR NEWPORT, OR 97365
Lic. 220178 Prem. 50506	COBBLESTONE PIZZA CO COBBLESTONE PIZZA CO LLC L - LIMITED ON-PREMISES SALES	130 NW 19TH SUITE B NEWPORT, OR 97365 541-265-3300	
Lic. 220272 Prem. 3732	EAGLES LODGE #2817 NEWPORT EAGLES LODGE #2817 NEWPORT F-CLU - FULL ON-PREMISES SALES	106 E OLIVE ST NEWPORT, OR 97365 541-265-2430	
Lic. 222834 Prem. 3730	ELKS LODGE #2105 NEWPORT ELKS LODGE #2105 NEWPORT F-CLU - FULL ON-PREMISES SALES	45 SE JOHN MOORE RD NEWPORT, OR 97365 541-563-2810	PO BOX 966 NEWPORT, OR 97365
Lic. 221934 Prem. 49882	FISH PEDDLERS MARKET PACIFIC CHOICE SEAFOOD COMPANY L - LIMITED ON-PREMISES SALES	617 SW BAY BLVD NEWPORT, OR 97365 541-265-7057	PO BOX 1230 NEWPORT, OR 97365
Lic. 223502 Prem. 37467	FISHTAILS CAFE FISHTAILS LLC L - LIMITED ON-PREMISES SALES	3101 FERRY SLIP RD SOUTH BEACH, OR 97366 541-867-6002	504 NW 56TH ST NEWPORT, OR 97365
Lic. 224040 Prem. 53923	FLASHBACKS FOUNTAIN AND GRILL JEG III INCORPORATED L - LIMITED ON-PREMISES SALES	1255 N COAST HWY NEWPORT, OR 97365 541-574-1955	PO BOX 2227 NEWPORT, OR 97365

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License No./ Premises No.		Tradename/Licensee/License Type	Premises Address & Phone	Premises Mailing Address
Lic.	220564	FORINASH GALLERY	856 SW BAY BLVD	PO BOX 161
Prem.	37384	CHARLES A. FORINASH O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-8483	NEWPORT, OR 97365
Lic.	220544	FRED MEYER #227	150 NE 20TH ST	PO BOX 305103
Prem.	15949	FRED MEYER STORES INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-4581	NASHVILLE, TN 37230
Lic.	222421	GEORGIE'S BEACHSIDE GRILL	744 ELIZABETH ST	
Prem.	26889	HALLMARK INNS & RESORTS INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-2600	
Lic.	222422	HALLMARK GIFT SHOP	744 ELIZABETH ST	
Prem.	30087	HALLMARK INNS & RESORTS INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-2600	
Lic.	220663	HOOVERS PUB & GRILL	3539 S COAST HWY	PO BOX 1073
Prem.	3930	HOOVER'S PUB AND GRILL LLC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-6880	NEWPORT, OR 97365
Lic.	222159	INN AT NYE BEACH	729 NW COAST ST	
Prem.	51247	NYE HOTEL LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-2477	
Lic.	223230	IZZY'S PIZZA	5251 N COAST HWY	
Prem.	15939	CHILAC INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 503-265-3636	
Lic.	220725	JC MARKET	107 N COAST HWY	
Prem.	4857	J C MARKET INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-6641	
Lic.	220757	KAM MENG CHINESE RESTAURANT	4424 N COAST HWY 101	
Prem.	41963	KAM MENG CHINESE RESTAURANT INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-557-2000	
Lic.	219907	KUM YON'S RESTAURANT	1006 SW COAST HWY	
Prem.	18693	BRIDGEVIEW KUM YON LLC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-5330	
Lic.	222833	LA ROCA DEL MAR MEXICAN RESTAURANT	352 SW 9TH ST	PO BOX 1444
Prem.	15956	CHRISTINA LOPEZ HERNANDEZ F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-3005	NEWPORT, OR 97365
Lic.	220895	LEE'S WOK	306 N COAST HWY	
Prem.	43288	LEE FAMILY ENTERPRISES INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-6197	
Lic.	220905	LOCAL OCEAN SEAFOODS	213 SE BAY BLVD	
Prem.	39276	LOCAL OCEAN SEAFOODS INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-574-7959	
Lic.	220923	LOCAL OCEAN SEAFOODS	213 SE BAY BLVD	
Prem.	39275	LOCAL OCEAN SEAFOODS INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-574-7959	
Lic.	220928	LUCKY THAI ELEPHANT RESTAURANT	807 SW COAST HWY	
Prem.	4849	LUCKY THAI ELEPHANT LLC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-2959	

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NEWPORT

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License No / Premises No.		Tradename/Licensee/License Type	Premises Address & Phone	Premises Mailing Address
Lic.	221014	M & P AUTHENTIC THAI CUISINE	836 SW BAY BLVD	
Prem.	51947	M & P AUTHENTIC THAI CUISINE LLC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-264-8388	
Lic.	221132	MADE IN OREGON	342 SW BAY BLVD	13625 NE JARRETT ST
Prem.	28216	NAITO CORP O - OFF-PREMISES SALES	NEWPORT, OR 97365 503-517-4340	PORTLAND, OR 97230
Lic.	228712	MAIN ST MARKET 4	1517 N COAST HWY	2902 MT VERNON ST SE
Prem.	27317	RELIANCE PETROLEUM LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-574-6336	ALBANY, OR 97322
Lic.	221718	MAI'S ASIAN MARKET	256-A E OLIVE ST	
Prem.	28330	DANNY D. SHEARER SR O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-5868	
Lic.	221076	MARINE DISCOVERY TOURS	345 SW BAY BLVD	
Prem.	26253	MARINE DISCOVERY TOURS INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-6200	
Lic.	220374	MAZATLAN MEXICAN RESTAURANT	404 SW COAST HWY	
Prem.	15914	GALVAN & FUENTES INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-8595	
Lic.	221049	MOBY DICK'S SEAFOOD & SPIRITS	448 SW COAST HWY	
Prem.	3736	MOBY DICKS AT NEWPORT LLC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-7847	
Lic.	220969	MO'S ANNEX	657 SW BAY BLVD	
Prem.	11551	MO'S ENTERPRISES INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-7512	
Lic.	220970	MO'S ANNEX	657 SW BAY BLVD	
Prem.	11551	MO'S ENTERPRISES INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-7512	
Lic.	220967	MO'S RESTAURANT	622 SW BAY BLVD	657 SW BAY BLVD
Prem.	26990	MO'S ENTERPRISES INC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-7512	NEWPORT, OR 97365
Lic.	224174	MOUNT ANGEL SAUSAGE CO	458 BAY BLVD	PO BOX 1067
Prem.	54571	GREAT AMERICAN YOGURT & FOOD COMPANY O - OFF-PREMISES SALES	NEWPORT, OR 97365 503-851-1390	MT ANGEL, OR 97362
Lic.	224176	MOUNT ANGEL SAUSAGE CO	458 BAY BLVD	PO BOX 1067
Prem.	54572	GREAT AMERICAN YOGURT & FOOD COMPANY L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 503-851-1390	MT ANGEL, OR 97362
Lic.	220129	NANA'S IRISH PUB	613 NW 3RD ST	
Prem.	42916	CUCHULAINN INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-574-8787	
Lic.	221104	NEW UPTOWN PUB	636 SW HURBERT ST	
Prem.	4865	NEWPORT BLUES INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-574-6323	
Lic.	223122	NEWPORT BREWING COMPANY	915 SW 11TH ST	
Prem.	51631	SHUNK'S LLC BP - BREWERY - PUBLIC HOUSE	NEWPORT, OR 97365 541-265-8185	

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License No./ Premises No.		Tradename/Licensee/License Type	Premises Address & Phone	Premises Mailing Address
Lic.	221876	NEWPORT CAFE	534 N COAST HWY	
Prem.	44266	SEE NASH LLC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-574-6847	
Lic.	221093	NEWPORT MARINA STORE	2128 SE MARINE SCIENCE DR	2128 SE MARINE SCIENCE DR
Prem.	40453	NEWPORT MARINA STORE & CHARTERS INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-867-4470	NEWPORT, OR 97365
Lic.	222761	NEWPORT STEAK & SEAFOOD	1019 SW COAST HWY	
Prem.	4868	NEWPORT STEAK & SEAFOOD INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-8283	
Lic.	223398	NYE BEACH MARKET	526 NW COAST ST #B	PO BOX 687
Prem.	42359	GERALD A. BUCHKO L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-574-1599	SOUTH BEACH, OR 97365
Lic.	220697	NYE BEACH SWEETS	314 NW COAST ST	2610 NE STURDEVANT PL
Prem.	53391	JAMES 1:27 MINISTRY LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-574-1963	TOLEDO, OR 97391
Lic.	220299	NYE BEACH WINE CELLAR	255 NW COAST	
Prem.	51384	GRAPENUTS LLC L - LIMITED ON-PREMISES SALES	NEWPORT, OR 97365 541-265-3292	
Lic.	221593	NYE BEACH WINE CELLAR	255 NW COAST	
Prem.	51383	GRAPENUTS LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-3292	
Lic.	223508	OCEAN BLEU @ GINO'S FISH MARKET & CAFE	308 SW BAY BLVD	PO BOX 1225
Prem.	47372	OCEAN BLEU SEAFOODS LLC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-2424	NEWPORT, OR 97365
Lic.	223509	OCEAN BLEU @ GINO'S FISH MARKET & CAFE	308 SW BAY BLVD	PO BOX 1225
Prem.	47372	OCEAN BLEU SEAFOODS LLC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-2424	NEWPORT, OR 97365
Lic.	221206	OCEANA NATURAL FOOD COOPERATIVE	159 SE 2ND ST	
Prem.	18488	OCEANA NATURAL FOOD COOPERATIVE O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-3893	
Lic.	221204	OREGON COAST AQUARIUM INC	2820 SE FERRY SLIP RD	
Prem.	51433	OREGON COAST AQUARIUM INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-867-3474	
Lic.	222809	OZONE FINE ARTS	669 SW BAY BLVD	321 NW LIGHTHOUSE DR
Prem.	47903	BRUCE W. JOHNSON O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-9500	NEWPORT, OR 97365
Lic.	224060	PIER 839 RESTAURANT & BAR	839 SE BAY BLVD	839 SW BAY BLVD
Prem.	54520	PIER 839 RESTAURANT & BAR LLC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-264-8478	NEWPORT, OR 97365
Lic.	222607	PORT DOCK ONE	325 SW BAY BLVD	
Prem.	3729	PORT DOCK ONE INC F-COM - FULL ON-PREMISES SALES	NEWPORT, OR 97365 541-265-2911	
Lic.	221471	RITE AID #5370	2336 N COAST HWY	PO BOX 3165
Prem.	11758	THRIFTY PAYLESS INC O - OFF-PREMISES SALES	NEWPORT, OR 97365 541-265-8596	HARRISBURG, PA 17105

District 3 Renewals

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<u>License No./ Premises No.</u>	<u>Tradename/Licensee/License Type</u>	<u>Premises Address & Phone</u>	<u>Premises Mailing Address</u>
Lic. 221191 Prem. 21455	ROGUE ALES BREWERY OREGON BREWING COMPANY BP - BREWERY - PUBLIC HOUSE	2320 OSU DR NEWPORT, OR 97365 541-867-3664	
Lic. 221176 Prem. 18783	ROGUE ALES PUBLIC HOUSE OREGON BREWING COMPANY F-COM - FULL ON-PREMISES SALES	748 SW BAY BLVD NEWPORT, OR 97365 541-265-3188	2320 OSU DR NEWPORT, OR 97365
Lic. 221177 Prem. 40780	ROGUE HOUSE OF SPIRITS OREGON BREWING COMPANY F-COM - FULL ON-PREMISES SALES	2122 SE MARINE SCIENCE DR NEWPORT, OR 97365 541-867-3660	2320 OSU DR NEWPORT, OR 97365
Lic. 222546 Prem. 40782	ROGUE HOUSE OF SPIRITS OREGON BREWING COMPANY BP - BREWERY - PUBLIC HOUSE	2122 SE MARINE SCIENCE DR NEWPORT, OR 97365 615-077-3660	2320 OSU DR NEWPORT, OR 97365
Lic. 221732 Prem. 4864	SAFEWAY STORE #378 SAFEWAY INC O - OFF-PREMISES SALES	2220 N COAST HWY NEWPORT, OR 97365 623-869-3573	PO BOX 29096 PHOENIX, AZ 85038
Lic. 221764 Prem. 37406	SAFFRON SALMON SAFFRON SALMON LLC L - LIMITED ON-PREMISES SALES	859 SW BAY BLVD NEWPORT, OR 97365 541-265-8921	
Lic. 227206 Prem. 54783	SAIL INN CAFE LLC SAIL INN CAFE LLC F-COM - FULL ON-PREMISES SALES	134 SW BAY BLVD NEWPORT, OR 97365 541-574-8880	1377 MOONSHINE PARK RD LOGSDEN, OR 97357
Lic. 222596 Prem. 4862	SANDBAR & GRILL SANDBAR & GRILL INC F-COM - FULL ON-PREMISES SALES	722 NW BEACH DR NEWPORT, OR 97365 541-265-6032	
Lic. 220749 Prem. 23884	SHARK'S SEAFOOD BAR & STEAMER CO KUHUIL INC F-COM - FULL ON-PREMISES SALES	852 SW BAY BLVD NEWPORT, OR 97365 541-444-2603	PO BOX 1653 NEWPORT, OR 97365
Lic. 219805 Prem. 14443	SHELL 503 ARS FRESNO LLC O - OFF-PREMISES SALES	22 N COAST HWY NEWPORT, OR 97365 866-607-4511	2204 S EL CAMINO REAL #314 OCEANSIDE, CA 92054
Lic. 221102 Prem. 15574	SHILO CAFE NEWPORT NEWPORT RESTAURANT CORP F-COM - FULL ON-PREMISES SALES	614 SW ELIZABETH NEWPORT, OR 97365 541-265-7701	11600 SW SHILO LN PORTLAND, OR 97225
Lic. 221101 Prem. 3731	SHILO RESTAURANT NEWPORT NEWPORT RESTAURANT CORP F-COM - FULL ON-PREMISES SALES	538 SW ELIZABETH ST NEWPORT, OR 97365 503-641-6565	11600 SW SHILO LN PORTLAND, OR 97225
Lic. 220422 Prem. 9482	SIZZLER #518 DOUBLE S FOODS LLC L - LIMITED ON-PREMISES SALES	2426 N COAST HWY NEWPORT, OR 97365 541-744-1093	302 SHELLEY ST #2 SPRINGFIELD, OR 97477
Lic. 219719 Prem. 54307	SORELLA CHIESA ROMANO LLC F-COM - FULL ON-PREMISES SALES	526 NW COAST ST UNIT C NEWPORT, OR 97365 503-801-0484	410 SOUTHPOINT ST DEPOE BAY, OR 97341
Lic. 221837 Prem. 4806	SOUTH BEACH GROCERY SOUTH BEACH GROCERY INC O - OFF-PREMISES SALES	3650 SW COAST HWY SOUTH BEACH, OR 97366 541-867-7141	PO BOX 581 SOUTH BEACH, OR 97366

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<u>License No./ Premises No.</u>	<u>Tradename/Licensee/License Type</u>	<u>Premises Address & Phone</u>	<u>Premises Mailing Address</u>
Lic. 220867 Prem. 8523	STARFISH GRILL/ROOKIE'S SPORTS BAR LINCOLN PROPERTIES LLC F-COM - FULL ON-PREMISES SALES	3019 N COAST HWY NEWPORT, OR 97365 541-265-9411	PO BOX 10638 EUGENE, OR 97440
Lic. 222259 Prem. 50059	STONE CREST CELLARS CATERING STONE CREST CELLARS BED & BREAKFAST F-COM - FULL ON-PREMISES SALES	715 SW HURBERT ST #4 NEWPORT, OR 97365 541-867-6621	9556 S COAST HWY SOUTH BEACH, OR 97366
Lic. 222333 Prem. 50058	STONE CREST CELLARS CATERING & BISTRO STONE CREST CELLARS BED & BREAKFAST O - OFF-PREMISES SALES	715 SW HURBERT ST #4 NEWPORT, OR 97365 541-867-6621	9556 S COAST HWY SOUTH BEACH, OR 97366
Lic. 223212 Prem. 16826	SYLVIA BEACH HOTEL SYLVIA BEACH HOTEL INC L - LIMITED ON-PREMISES SALES	267 NW CLIFF ST NEWPORT, OR 97365 541-265-5428	
Lic. 221826 Prem. 35618	SZABO'S STEAKHOUSE & SEAFOOD SZABO INC F-COM - FULL ON-PREMISES SALES	5188 NE LUCKY GAP RD NEWPORT, OR 97365 541-264-2471	
Lic. 222782 Prem. 38025	THE COFFEE HOUSE JUDITH M. LINGHAM L - LIMITED ON-PREMISES SALES	156 SW BAY BLVD NEWPORT, OR 97365 541-265-6263	PO BOX 28 NEWPORT, OR 97365
Lic. 221210 Prem. 51998	THE DEEP END CAFE OLIVE STREET LLC F-COM - FULL ON-PREMISES SALES	740 W OLIVE ST NEWPORT, OR 97365	4627 N CONGRESS AVE PORTLAND, OR 97217
Lic. 221244 Prem. 4850	US MARKET #104 US MARKET #104 LLC O - OFF-PREMISES SALES	1445 N COAST HWY 101 NEWPORT, OR 97365 541-265-9181	1038 BROADWAY NE SALEM, OR 97301
Lic. 221381 Prem. 51417	WALGREENS #15239 WALGREEN CO O - OFF-PREMISES SALES	27 S COAST HWY NEWPORT, OR 97365 541-574-4405	PO BOX 901 DEERFIELD, IL 60015
Lic. 221390 Prem. 44081	WALMART STORE #1925 WAL-MART STORES INC O - OFF-PREMISES SALES	160 NW 25TH ST NEWPORT, OR 97365 541-265-6560	508 SW 8TH ST DEPT 8916 BENTONVILLE, AR 72716-050
Lic. 221629 Prem. 3737	WATERFRONT GRILLE EMBARCADERO RESTAURANT AND LOUNGE O - OFF-PREMISES SALES	1000 SE BAY BLVD NEWPORT, OR 97365 541-265-8135	
Lic. 221633 Prem. 3737	WATERFRONT GRILLE EMBARCADERO RESTAURANT AND LOUNGE F-COM - FULL ON-PREMISES SALES	1000 SE BAY BLVD NEWPORT, OR 97365 541-265-8135	
Lic. 220116 Prem. 44666	YUMMY BOWL CHAN & ZHEN INC L - LIMITED ON-PREMISES SALES	554 SW COAST HWY NEWPORT, OR 97365 541-574-0776	
Lic. 223538 Prem. 39624	ZACH'S BISTRO IDALICEMARUDY INC O - OFF-PREMISES SALES	614 W OLIVE ST NEWPORT, OR 97365 541-265-2929	
Lic. 223540 Prem. 39624	ZACH'S BISTRO IDALICEMARUDY INC F-COM - FULL ON-PREMISES SALES	614 W OLIVE ST NEWPORT, OR 97365 541-265-2929	

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:5.D
Meeting Date: 5-16-16

Agenda Item:

Approval of a Recommendation to the Oregon Liquor Control Commission (OLCC) to issue a Full-On Premise Sales Liquor License for a New Outlet to Clearwater Restaurant, located at 325 SW Bay Boulevard

Background:

Clearwater Restaurant Group Inc. is applying for a full-on premise sales license for a new outlet to the Oregon Liquor Control Commission for the Clearwater Restaurant, located at 325 SW Bay Boulevard. This site formerly housed Port Dock One. The applicant, on behalf of Clearwater Restaurant Group, Inc., is Hans Goplen. A background check has been conducted on the applicant and no disqualifying information was discovered.

Recommendation:

I recommend that the City Council authorize a recommendation to the Oregon Liquor Control Commission to issue a full-on premise sales liquor license for a new outlet to Clearwater Restaurant, located at 325 SW Bay Boulevard

Fiscal Effects:

None by making this recommendation. The city does receive a fee for processing liquor licenses.

Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel
City Manager



**STAFF REPORT
CITY COUNCIL AGENDA**

Meeting Date: May 16, 2016

Title: OLCC License Approval

Prepared by: Lt. Jason Malloy

Recommended Motion:

Handled as a consent calendar item. The Police Department recommends favorable action by the City Council

Background Information:

Clearwater Restaurant, 325 SW Bay Blvd., has made application to the Oregon Liquor Control Commission for a "Full On-Premises Sales" license as a new outlet and new ownership. Such a license allows for the applicant to sell 'by the drink' wine, malt beverages, cider and distilled liquor. These beverages must be consumed on the premises. Partially consumed bottles of wine that had been served with a meal may also be taken from the premises.

A background check of the applicant revealed no disqualifying information. Clearwater Restaurant is located on the Historic Bayfront, and is the old site of Port Dock 1 Restaurant and Lounge. There have been no calls to the business within the last year, as the original business has been vacant, and is currently under remodel.

ORS 471.166 requires an applicant to obtain a recommendation from the local governing body in the city where the business is located. The City Council may make a "Favorable Recommendation" or an "Unfavorable Recommendation" to OLCC. The Commission will then decide if granting a license is appropriate.

Fiscal Notes:

There is no fiscal impact on the City other than time to process the application

Alternatives:

Not applicable.

Attachments:

License Application





OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

Application is being made for:

LICENSE TYPES

- ☒ Full On-Premises Sales (\$402.60/yr)
☒ Commercial Establishment
☐ Caterer
☐ Passenger Carrier
☐ Other Public Location
☐ Private Club
☐ Limited On-Premises Sales (\$202.60/yr)
☐ Off-Premises Sales (\$100/yr)
☐ with Fuel Pumps
☐ Brewery Public House (\$252.60)
☐ Winery (\$250/yr)
☐ Other: _____

ACTIONS

- ☒ Change Ownership
☒ New Outlet
☐ Greater Privilege
☐ Additional Privilege
☐ Other: _____

90-DAY AUTHORITY

☐ Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

- ☐ Limited Partnership ☒ Corporation ☐ Limited Liability Company ☐ Individuals

CITY AND COUNTY USE ONLY

Date application received: 5/6/16

The City Council or County Commission:
City of Newport
 (name of city or county)

recommends that this license be:

☐ Granted ☐ Denied

By: _____
 (signature) (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: OK

Date: 05-05-16

90-day authority: ☐ Yes ☒ No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① Clearwater Restaurant Group Inc.
 ② _____ ③ _____ ④ _____

2. Trade Name (dba): Clearwater Restaurant

3. Business Location: 325 SW Bay Blvd Newport Or 97365
 (number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: 611 SE 3rd Street Newport Or 97365
 (PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: 310-849-3161 541-264-8485
 (phone) (fax)

6. Is the business at this location currently licensed by OLCC? ☒ Yes ☐ No

7. If yes to whom: Port Dock One, Inc. Type of License: FCCM

8. Former Business Name: Port Dock One

9. Will you have a manager? ☒ Yes ☐ No Name: Hans Goplen
 (manager must fill out an Individual History form)

10. What is the local governing body where your business is located? Newport
 (name of city or county)

11. Contact person for this application: Hans Goplen 310-849-3161
 (name) (phone number(s))
611 SE 3rd Street Newport Or 97365 hans.goplen@gmail.com
 (address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① [Signature] Date 3/30/16 ② _____ Date _____
 ③ _____ Date _____ ④ _____ Date _____

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:6.A.
Meeting Date: 5-16-16

Agenda Item:

Public Hearing - Consideration and Possible Adoption of Ordinance No. 2097, an Ordinance of the City of Newport Imposing a Three Percent Tax on the Sale of Marijuana Retailer and Referring Ordinance No. 2097 to the Voters at the General Election to be held on November 8, 2016.

Background:

At the April 18, 2016, City Council meeting, the Council requested that a public hearing be held at the May 2 meeting on whether to propose a local 3% tax on marijuana within the City of Newport for consideration by the electors in November. No public comments were received at the public hearing.

Under House Bill 3400, local units of government may adopt an ordinance which is referred to the voters to impose a tax or fee up to 3% on the sale of marijuana items by a retail licensee within that city. This ordinance must be referred to voters in a Statewide general election, which means an election in November of an even numbered year.

If the City Council wishes to have this question placed on the ballot, an ordinance and resolution calling for an election on this issue would need to be approved by the Council. City Recorder, Peggy Hawker and City Attorney, Steve Rich have developed drafts of an ordinance and a resolution to be used for this purpose.

It is also my understanding that during the recent legislative session, State law authorized the Department of Revenue to collect the local tax. This would be accomplished in a similar fashion to how the local gas taxes are collected and remitted by the State to local units of government. This would certainly facilitate this process.

There have been some suggestions from City staff regarding earmarking this funding for a specific purpose (parks, law enforcement or other efforts in the community). It was thought this may make the ballot issue more attractive knowing that the revenues are being earmarked for specific purpose. This could be done by ordinance if the Council chooses to do that. At the May 2 Council meeting, there was a consensus not to specifically earmark the funds for a specific purpose as part of the ballot process. This could be done by resolution of the Council if the voters authorize the tax.

Finally, the Council approved Ordinance No. 2071, an ordinance establishing a tax on the sale of marijuana in October of 2014. It is our intent to leave this ordinance on the books and modify it if the voters authorize a tax in November.

Recommendation:

I recommend that the Mayor conduct a public hearing on Ordinance No. 2097 - an Ordinance of the City of Newport Imposing a Three Percent Tax on the Sale of Marijuana Retailer and Referring Ordinance No. 2097 to the Voters at the General Election to be held on November 8. 2016.

Following the public hearing and considering any comments, I further recommend the City Council consider the following motion:

I move an Ordinance of the City of Newport Imposing a Three Percent Tax on the Sale of Marijuana Retailer and Referring Ordinance No. 2097 to the Voters at the General Election to be held on November 8. 2016 be read by title only and placed for final adoption.

The Mayor will then ask for a voice vote on whether or not to read the ordinance by title only and placed for final passage.

If the motion is approved, the City Recorder will read the title of the ordinance.

A roll call vote on the final passage of the ordinance will then be requested by the Mayor, and taken by the City Recorder.

Fiscal Effects:

It is undetermined what this tax would generate at this time.

Alternatives:

The Council could defer action to a later date, or as suggested by Council

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel", is written over a light blue circular stamp.

Spencer R. Nebel, City Manager

CITY OF NEWPORT

ORDINANCE NO. 2097

**AN ORDINANCE OF THE CITY OF NEWPORT
IMPOSING A THREE PERCENT TAX
ON THE SALE OF MARIJUANA ITEMS BY A
MARIJUANA RETAILER AND REFERRING ORDINANCE NO. 2097
TO THE VOTERS AT THE GENERAL ELECTION
TO BE HELD ON NOVEMBER 8, 2016**

WHEREAS, section 34a of House Bill 3400 (2015) provides that a city council may adopt an ordinance to be referred to the voters that imposes up to a three percent tax or fee on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

WHEREAS, the Newport City Council wants to impose a tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Chapter 3.15 of the Newport Municipal Code is enacted as follows:

**3.15 IMPOSING A THREE PERCENT TAX ON THE SALE OF MARIJUANA ITEMS
BY A MARIJUANA RETAILER**

A. DEFINITIONS

1. Marijuana item has the meaning given that term in Oregon Laws 2015, chapter 614, section 1.
2. Marijuana retailer means a person who sells marijuana items to a consumer in this state.
3. Retail sale price means the price paid for a marijuana item, excluding tax, to a marijuana retailer by or on behalf of a consumer of the marijuana item.

B. TAX IMPOSED

As described in section 34a of House Bill 3400 (2015), the City of Newport hereby imposes a tax of three percent on the retail sale price of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city.

C. COLLECTION

The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs and remitted by each marijuana retailer that engages in the retail sale of marijuana items.

D. REFERRAL

This ordinance shall be referred to the electors of the City of Newport at the next statewide general election on Tuesday, November 8, 2016.

Section 2. Effective Date. This ordinance shall be effective immediately upon certification of the election results if approved by the electors of the City of Newport at the election of November 8, 2016.

Adopted by the Newport City Council on June 6, 2016.

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:

Steven Rich, City Attorney



CITY MANAGER'S REPORT AND RECOMMENDATIONS

Agenda#: 6.B.
Meeting Date: 5/16/16

Agenda Item:

Public Hearing and Adoption of Resolution 3749, a Resolution Approving Rates for Thompson Sanitary Service, Inc., for Solid Waste, Recycling and Composting, effective July 1, 2016.

Background:

The City of Newport has a franchise agreement for solid waste, recycling and composting with Thompson Sanitary Service, Inc. of Newport, Oregon. Under the terms of the franchise agreement, the franchisee shall charge and collect rates adopted by the City Council by resolution each year in accordance with Section 12 of the agreement to support the costs of this service. The agreement provides that rates are intended to produce a revenue requirement for the franchisee that is equal to the quotient of the allowable expenses divided by the operating ratio. This range is targeted to be 85% to 91%, with the midpoint being 88%.

The agreement provides that on or before April 1st of each year, the franchisee shall submit to the City an annual report on operations. This report was received on March 30th and indicated that the operating ratio is at 92.14%.

In 2014, the City Council approved a compostable collection program, which added \$6.59 per month to residential households receiving this service, unless the customers utilized a 24 household garbage cart and elected to opt out of the residential compost collection program.

As you may recall, the review of the financial statements for the 2014 year initially demonstrated that a 6.18% request was needed in order to achieve the targeted ratio of 88%. In order to reduce that rate last year, the City Council agreed to freeze any additional contributions to the closure fund for Agate Beach, which brought this increase down to 5.8%. Furthermore, Thompsons agreed to defer a portion of that increase until the 2016-17 Fiscal Year in order to ease the impact on their customers. This would also allow for the various financial matters relating to the composting program to sort itself out.

The agreement provides for two methods to be considered for future rate adjustments for Thompson Sanitary Services. The agreement provides that in each even numbered year, throughout the term of the franchise, the rates shall be adjusted in an amount equal to 85% of the two-year percentage change in Consumer's Price Index for all urban consumers for WestB/C for all items published by the Bureau of Labor Statistics, that occurred between the months of May and April of the previous and current years. The second method allows for a rate review to be conducted when the operating ratio falls outside of the previously stated range. Furthermore, if a rate adjustment occurred in the previous year (which was the basis for the 2015-16 Fiscal Year adjustment), then the franchisee is only eligible for an 85% of the one year change in the Consumer's Price Index.

Thompson Sanitary Services is requesting that the rate adjustment for July 1, 2016, include 1.9% of the deferred revenue from the previous year plus 85% of the appropriate Consumer's Price Index, with the total inflationary portion of the adjustment not exceeding 1% of rates.

Therefore, the maximum increase that would be provided as of July 1, 2016, in rates would be 2.9% with the actual rates being an amount up to 2.9% once the proposed rate schedule attached includes the rates based on the maximum CPI that would be recommended for approval by the City Council for the July 1, 2016, Fiscal Year to place the operating ratio within the allowable range.

I have also included a customer survey that Thompson Sanitary Services is proposing to send out this summer focusing primarily on composting for your review. We had intended to get this out last year; however, this did not occur. We are proposing that it be sent out by Thompson's to all of their customers in either the June or July billing for 2016 by utilizing the billing process that will get directly to all of the specific customers of Thompsons.

I have reviewed the financial audited statements for Thompson's Sanitary Service and other financial information, and I believe the rate review report accurately reflects those costs related to the operation of this system.

I have enclosed a copy of Resolution No. 3719, which references the deferred portion of the rates from 2015.

Recommended Action:

I recommend that the Mayor conduct a public hearing on the proposed rate structure for Thompson's Sanitary Service, Inc. for solid waste, recycling, and composting services within the City of Newport, which includes a maximum rate adjustment of 2.9% effective July 1, 2016, with the actual rate being based on the one year cost of living index published this month.

Following the public hearing, and considering any comments made, I recommend the City Council consider the following motion:

I move adoption of Resolution No. 3749, which establishes a maximum rate adjustment of 2.9% increase in rates for Thompson's Sanitary Service, Inc. for solid waste, recycling and composting effective July 1, 2016.

Fiscal Effects:

None directly to the City. The City charges a franchise fee that is impacted by the revenues collected.

Alternatives:

None recommended.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel", is written over a faint, light blue circular stamp.

Spencer R. Nebel
City Manager

CITY OF NEWPORT

RESOLUTION NO. 3749

APPROVING A RATE STRUCTURE FOR
THOMPSON'S SANITARY SERVICE, INC.
FOR SOLID WASTE RECYCLING AND COMPOSTING
AND REPEALING RESOLUTION NO. 3719 IN ITS ENTIRETY

Whereas, the City of Newport and Thompson's Sanitary Service, Inc. entered into a solid waste franchise agreement in May of 2007; and

Whereas, Section 12(1)(a) of the May 2007 agreement states that the Franchisee shall charge and collect those rates adopted by City Council resolution each year; and

Whereas, Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent; and

Whereas, effective July 1, 2015, rates were established based on a rate review report with Thompson's Sanitary Service, Inc. agreeing to defer 1.9% of this increase to July 1, 2016 to reduce the impact on the rate payers in 2015; and

Whereas, the City Council has reviewed Thompson's Sanitary Service, Inc. 2015 Rate Review Report, and the operating ratio is 92.14%, however with the application of the deferred revenue, the rates would have generated sufficient revenues to keep the operations ratio in range; and

Whereas, Section 12(1)(g)(4) of the franchise agreement provides for a one-year rate adjustment based on 85 percent on the one year change in the Consumer Price Index, in an even year, when rates were determined by a rate review in the previous year; and

Whereas, Thompson's Sanitary Service, Inc. has agreed to a maximum inflationary adjustment of one percent with the actual rate adjustment being based on 85% of a one-year CPI as published later this month, with the total adjustment of rates not exceeding 2.9% effective July 1, 2016.

The City of Newport resolves as follows:

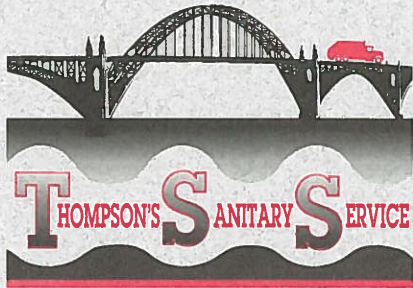
The City Council authorizes a maximum increase of 2.9% for solid waste, recycling, and composting rates effective July 1, 2016, in accordance with Attachment A, titled "Thompson's Sanitary Service Proposed Rate Schedule," with the final rate schedule being published no later than May 31, 2016 and included with this resolution.

Adopted by the City Council on May 16, 2016.

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder



RECEIVED

MAR 28 2016

CITY OF NEWPORT

TEL: (541) 265-7249

FAX: (541) 265-3034

7450 NE Avery • PO Box 643 • Newport, OR 97365

Spencer Nebel
City of Newport
169 SW Coast Hwy
Newport, Oregon 97365

March 30th, 2016

Re: 2016 Rate Review Report

Dear Spencer:

Enclosed are several schedules and a 2015 Reviewed Financial Statement prepared by our independent Certified Public Accountants. These items make up the "Rate Review Report" as outlined in the Solid Waste Collection Franchise. This information also makes up the Annual Report.

As required under The Franchise pursuant to Newport Municipal code 7.05, the enclosed rate review report contains: 1) all the actual allowable expenses incurred by Franchisee in the preceding calendar year (Exhibit A) on file ; 2) all additional allowable expenses that we reasonably anticipate will be incurred or imposed in the current year (Exhibit C Pg 1); 3) the allocation formulas used to determine expenses (Exhibit B); 4) the actual Operating Ratio for the preceding calendar year (Exhibit C Pg 2); and 5) the expected Operating Ratio for the current calendar year (Exhibit C Pg 2). Also included is an equipment list for your review.

In addition, as required under The Franchise, the enclosed data also includes Reviewed Financial Statements. These are to be treated as confidential material.

Based on this data, the Operating Ratio for the current calendar year is outside the limits of the Operating Ratio Range of 85% to 91%. Our projected operating ratio (without any adjustment) is 92.14% and therefore indicates revenue is not sufficient. Last year we deferred 1.90% of our allowed rate adjustment which we have included in this year's proposed adjustment. In addition, because this is an even numbered year, we have included a 1 year CPI adjustment which we have included based on the one year change in the CPU-U west B/C of 1%, which results in a proposed adjustment of .85%. With those adjustments projected, the Operating Ratio that we project is 89.68%, which is within the allowable range. Again, in an attempt to limit the impact of adjustments, we feel that this proposal is a reasonable alternative to going to full blown rate review which would result in a larger adjustment to project the target OR of 88%.

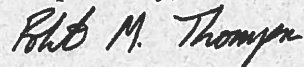
The need for this rate adjustment is attributable to the following material items:

- Deferred and reduced last year's rate adjustment.
- Disposal of Garbage has increased at the disposal site in agreement with our contract.
- Disposal of Compostable material also increased under the terms of our agreement.

- We have projected a decrease in fuel costs of approximately 20%, based on the Department of Energy's projections.
- One of the most impactful items is due to the change in recycling markets globally. In the past, we have been paid by the markets to drop off recycled materials. Currently, due to many complex global factors in the market, the markets are not paying any revenue for this same material. The market is indicating that in the near future, they will be charging us to bring them this material. For our projections, we have projected no revenue and no additional cost.

As always, if you have any questions or concerns, we are happy to discuss this submittal at your convenience. In addition, if this issue is to be discussed at a council meeting please inform us so that we can plan to attend.

Respectfully,

A handwritten signature in black ink that reads "Robert M. Thompson". The signature is written in a cursive, flowing style.

Robert M. Thompson,
President

City of Newport
Thompson's Sanitary Service Inc.
Rate Review Report
December 31, 2015

INCOME AND EXPENSE DATA:**REVENUE**

Allocation Method	Total Company Actual 2015	City of Newport Actual 2015	Projected Adjustments	City of Newport Projected 2016
From CPA Reviewed FS				
Collection Services	Actual \$ 3,502,422	\$ 3,097,257	\$ 23,989	\$ 3,121,246
Non Franchised	Actual 44,752	-	-	-
Recycling Revenue	Actual 41,660	36,841	(20,432)	16,409
Other Income	cpi (575)	-	26,531	26,531
1.90% Rate Adjustment Required	1.9% from 2015 -	-	59,304	59,304
Total Revenue	3,588,259	3,134,098	89,391	3,223,489

CPI - 85% of 1
yr change est**LABOR EXPENSES**

Supervisor/Manager	Labor Hours	242,460	207,037	-	207,037
Customer Relations Representative	Labor Hours	167,946	143,409	2,940	146,349
Operational Personnel	Labor Hours	699,931	597,671	6,731	604,402
Total Labor		1,110,337	948,116	9,671	957,788

OPERATIONAL EXPENSES

Bad Debt Expense	Labor Hours	4,725	4,035	81	4,116
Business Taxes and PUC	Labor Hours	65,105	55,593	860	56,453
12000 Closure	Labor Hours	6,713	5,732	(5,732)	-
Depreciation and Amortization	Labor Hours	10,028	8,563	-	8,563
Disposal Charges	Vessel Weights	785,058	728,377	42,584	770,961
Franchise Fees	Labor Hours	114,621	97,081	(5,255)	91,826
Fuel	Labor Hours	124,487	106,299	(21,260)	85,039
Insurance Expense	Labor Hours	60,175	51,383	(207)	51,176
Operational Lease and Rent (Note 3)	Labor Hours	407,182	347,693	(27,480)	320,213
Interest	Labor Hours	-	-	11,330	11,330
PUC	Labor Hours	-	-	-	-
Recycling processing & transport	Labor Hours	115,215	98,382	6,267	104,650
Refund of Deposit on Service	Labor Hours	2,092	1,786	(1,786)	-
Rent	Labor Hours	-	-	-	-
Repairs and Maintenance	Labor Hours	240,753	205,579	3,490	209,070
12000 Solid Waste District Surcharge	Labor Hours	50,079	42,763	(0)	42,763
Total Operational		1,986,233	1,753,266	2,893	1,756,159

GROSS PROFIT

491,690 432,716 76,827 509,543

ADMINISTRATIVE EXPENSES

Advertising	Customer Counts	13,542	11,529	205	11,735
Company Meetings	Customer Counts	5,593	4,762	4,762	9,524
Community Education & Support	Customer Counts	18,553	15,796	-	15,796
Dues and Subscriptions	Customer Counts	21,151	18,008	(11,367)	6,641
Employee benefits (Drug Program)	Customer Counts	9,851	8,387	(0)	8,387
Meals and entertainment	Customer Counts	4,684	3,988	(0)	3,987
Office Supplies	Customer Counts	42,862	36,493	3,707	40,200
Postage	Customer Counts	20,717	17,639	353	17,991
Professional fees	Customer Counts	42,126	35,866	718	36,584
Utilities	Customer Counts	48,347	41,162	822	41,984
Total Administrative		227,425	193,630	(800)	192,830

NET INCOME BEFORE TAX

\$ 264,264 \$ 239,085 \$ 77,628 \$ 316,713

Allocation Percentages

Labor Hours	85.39%	85.39%
Vessel Weights	92.78%	92.78%
Customer Counts	85.14%	85.14%

City of Newport
Thompson's Sanitary Service Inc.
 Calculation of Operating Ratio
 December 30,

	Actual 2015	Projected 2016
Total Expenses:		
Total Labor	\$ 948,116	\$ 957,788
Total Operational	1,753,266	1,756,159
Total Administrative	193,630	192,830
Total	2,895,012	2,906,776
Less Non Allowable Expenses:		
Community Support	(15,796)	(15,796)
Less "Pass Through Expenses"		
Community Support		
Allowable Expenses	2,879,217	2,890,980
Revenue		
Revenue	3,134,098	3,223,489
Less "Pass Through Expenses"	-	-
Revenue (net of Pass Through)	3,134,098	3,223,489
Operating Ratio:		
Allowable Expenses	2,879,217	2,890,980
divided by		
Revenue (net of Pass Through)	3,134,098	3,223,489
Calculated Operating Ratio	91.87%	89.68%

Exhibit C

[illegible]

Thompson's Sanitary Service, Inc.
Equipment Listing

	Date Acq	Life (yrs)	% to TSS
6 STORAGE BOXES	2/01/05	10	100%
RECYCLING ROLL KARTS	2/01/05	10	100%
CARTS	3/28/05	10	100%
RECYCLE TRUCK	3/28/05	7	100%
2006 CHEVROLET SILVERADO 1	3/22/06	7	100%
HDS945 PRESSURE WASHER	12/08/05	7	100%
2 - 30YD DROP BOXES	12/12/05	10	100%
200 - 35 GAL TRASH CARTS	1/19/06	10	100%
2 - 20YD ROLLOFF BOXES	9/01/06	10	100%
400 - 65 GAL MEGA TRASH CARTS	10/10/06	10	100%
2 - 30YD ROLLOFF BOXES	9/01/06	10	100%
100 - 65 GAL CARTS	12/28/06	10	100%
2320 - 32 GAL CONTAINERS	2/28/07	10	100%
525 - 65 GAL CARTS	2/28/07	10	100%
250 - 6 GAL RECYCLING BINS	3/26/07	10	100%
25 - 1 YD TUBS	3/31/07	10	100%
100 - 58 GAL AUTO LITTER CONTAINERS	4/26/07	10	100%
26 - 2YD TUBS	3/31/07	10	100%
2 - 20YD DROP BOXES	5/25/07	10	100%
HAMMERHEAD CENTRINO TRUCK SYSTEM	6/30/07	7	100%
2001 FREIGHTLINER CONDOR	10/01/07	7	100%
125 - 95 GAL CARTS	12/28/06	10	100%
1 40YD UTILITY ROLLOFF BOX	2/20/08	10	0%
580 32 GAL ROLL CARTS	4/18/08	10	100%
50 - 200 GAL TUBS	4/30/08	10	100%
50 - 300 GAL TUBS	4/30/08	10	100%
48 96 GAL CARTS	6/30/08	10	100%
3 - 11/2 YD AND 3 - 1YD CONTAINERS	7/08/08	10	100%
2 - 20 YD UTILITY ROLLOFF BOX	7/31/08	10	100%
2 - 30YD UTILITY ROLLOFF BOX	7/31/08	10	100%
MARATHON COMPACTOR - MO'S	8/08/08	7	100%
2009 PETERBILT MODEL 320 /24 CU YD SIDELoader	8/08/08	7	100%
PLASMA CUTTING MACHINE	9/30/08	7	0%
MARATHON COMPACTOR - HALLMARK	10/02/08	7	100%
MARATHON COMPACTOR - BEST WESTERN	10/02/08	7	100%
WASTEQUIP COMPACTOR - JC MARKET	11/20/08	7	100%
100 - 96 GAL CARTS	11/30/08	10	100%
367 - 65 GAL CARTS	11/30/08	10	100%
MARATHON COMPACTOR - EMBARCADARO	12/07/07	7	100%
2008 INTERSTATE 27' ALLSPORT CARGO TRAILER	4/23/09	7	80%

WELDER FOR SERVICE TRUCK	6/30/09	7	0%
180 - 300 GAL TUBS	7/22/09	10	100%
250 - 6 GAL BLUE PAILS	11/12/09	10	100%
GETAK 840XT RUGGED TABLET PC - 2010 PETERBILT	11/23/09	7	100%
2010 PETERBILT 320 SIDE LOADER	11/23/09	7	100%
60 - 300 GAL ROYAL BLUE TUBS	9/21/10	10	100%
30 - 300 GAL BLACK TUBS	9/21/10	10	100%
6 - 300 GAL TUB ROYAL BLUE LIDS	9/21/10	10	100%
6 - 300 GAL TUB BLACK LIDS	9/21/10	10	100%
20- 58 GAL AUTO LITTER REC	10/06/10	10	100%
TRASH CART LIDS	1/21/10	10	100%
ALLIED WASTE STORAGE UNIT	5/19/10	10	100%
130 - 96 GAL TRASH CARTS (GREEN)	3/04/11	10	100%
113 - 96 GAL RECYCLE CARTS (BLUE)	3/04/11	10	100%
60 - 300 GAL BLUE RECYCLE TUBS	4/01/11	10	100%
120 - 300 GAL TRASH TUBS	4/01/11	10	100%
WHEELS AND SPACERS FOR 65 GAL CARTS	5/05/11	10	100%
2012 PETERBILT MODEL 320 TRUCK #311	7/20/11	7	100%
648 - 65 GAL CARTS	8/08/11	10	100%
25 - 60 GAL ALC GRAYSTONE TOTERS	10/05/11	10	100%
GETAK 840XT TABLET PC FOR 2012 PETERBILT	6/13/11	7	100%
POWEREDGE T310 COMPUTER	8/31/11	3	100%
OPTIPLEX 990 MINITOWER	8/31/11	3	100%
OPTIPLEX 380 DESKTOP	8/31/11	3	100%
2012 TOYOTA TUNDRA C CREW - CASH PAID	10/20/11	7	33%
702 - 35 GAL UNIV XHD CONTAINERS	2/02/12	10	100%
432 - 64 GAL EVR 11 UNIV CONTAINERS	2/02/12	10	100%
LEXMARK XS736DE DIGITAL COPIER	4/05/12	5	90%
20 - LIDS FOR 300 GAL RECYCLE TUBS	4/13/12	10	100%
2 - 30YD DROP BOXES	7/09/12	10	100%
2 - LIDS FOR 20YD DROP BOXES	7/09/12	10	100%
20 - 1YD CONTAINERS	9/13/12	10	100%
2 - 40YD ROLLOFF CONTAINERS	9/26/12	10	0%
2009 CHEVROLET SILVERADO 2 PU - CASH PAID	9/27/12	7	10%
4 - 20YD DROP BOXES	10/04/12	10	100%
1 - 10YD DROP BOX	12/21/12	10	100%
1 - 20YD DROP BOX	12/21/12	10	100%
6 - 1YD CONTAINERS	2/22/12	10	100%
552 - 64 GAL EVR II UNIV CONTAINERS	1/14/13	10	100%
204 - 96 GAL EVR II UNIV CONTAINERS	1/14/13	10	100%
200 - 10" PLASTIC WHEELS FOR 65 GAL AMERIKART	1/24/13	10	100%
6 - CL910 TRUCK COMPUTERS	4/01/13	5	100%
204 - 96 GAL EVR II UNIV CONTAINERS	4/01/13	10	100%
25 - 60 GAL ALC CONTAINERS	4/30/13	10	100%
432 - 64 GAL EVR II UNIV CONTAINERS	6/10/13	10	100%
135 - 300 GAL EL MONTE PLASTIC TUBS	7/24/13	10	100%
1 - 3YD EMERGENCY RESPONSE MOBILE TRAILER	8/20/13	7	0%

POWER MIG 350MP WELDER	5/08/13	7	0%
COAST COM PHONE SYSTEM	11/15/13	7	90%
2013 TOYOTA SEQUOIA SUV	2/06/13	7	33%
FIBER OPTICS - INTERNET AND PHONE	11/07/13	7	90%
One 47 CUYD Chain drive rolloff	1/14/14	7	100%
200 24 gal EVR U Containers (CARTS)	4/21/14	10	100%
245 64 gal EVR U Containers (CARTS)	4/21/14	10	100%
480 64 gal EVR U Containers (CARTS)	4/21/14	10	100%
100 64 g univ containers (CARTS)	5/01/14	10	100%
2496 96 g carts	5/12/14	10	100%
800 64 g carts	8/14/14	10	100%
400 24 g carts	9/13/14	10	100%
28 64 g lids	9/13/14	10	100%
2015 Peterbuilt 320	7/10/14	7	100%
Dell truck computer	6/29/14	5	100%
storm system install	5/11/14	25	100%
2015 Toyota Tundra	5/27/15	7	33%
Alpha Tailgate Assembly	4/21/15	10	100%
Transmission - Truck 113	4/28/15	10	100%
200 24G Carts	5/18/15	10	100%
100 96G Carts	5/18/15	10	100%
65 64G Carts	5/18/15	10	100%
1 30 yd drop box	9/29/15	10	100%
1 40 yd drop box	9/29/15	10	
25-ALR's	10/15/15	10	100%
2015 Dodge 5500	12/14/15	7	100%
10 computers	12/07/15	5	100%
2016 Pete 320 drop box truck	12/14/15	7	100%

Proposed Questions for MIXED COMPOSTABLES Survey requested by Council from TSS

1. Do you have a Mixed Compostables Cart?

Yes

No

If no, skip to question #9

2. How often do you put your Mixed Compostables Cart out for service?

Once a month

Every other week

Monthly

Occasionally

Never

3. As the weather changes, do you think you will put your Mixed Compostables cart out

More often

Less often

The Same

4. As a result of the increased capacity you receive with the Mixed Compostables service, do you feel that you have less material going into your garbage cart?

Yes

No

5. Do you feel that you received enough information to know what materials go into the new Mixed Compostables service?

Yes

No

6. Do you put food waste in your Mixed Compostables cart?

Yes

No

7. If yes, what percentage of all of your food waste would you say you put in your Mixed Compostables cart?

10%

60%

20%

70%

30%

80%

40%

90%

50%

100%

8. Of the food waste you put in your Mixed Compostables cart, what types do you include?
- Vegetative
 - Meats
 - Dairy
 - Bread
 - Other
 - Don't know
9. Are you aware of Thompson's Sanitary Service's menu of possible services that may save you money by changing your garbage service level due to increased room in your Mixed Compostables and recycling carts?
- Yes
 - No
10. If you currently don't have an Mixed Compostables cart, it is because
- I don't have that type of waste
 - I don't have room to keep it
 - It costs too much
 - I just want to throw everything in one place and forget about it
11. Have you had contact with Thompson's Sanitary Service in the past year?
- Yes
 - No
12. If yes, was it
- By phone
 - By email
 - In office
 - On route
 - Other
13. Would you describe your contact as:
- Excellent
 - Good
 - Alright
 - Marginal
 - Poor
14. What changes, if any, would you like to see in your service that would make it possible for you to recycle more of your waste?
15. Overall, how would you describe your experience with Thompson's Sanitary Service?

Excellent
Good
As Expected
Poor

16. Any additional comments

CITY OF NEWPORT

RESOLUTION NO. 3719

APPROVING A RATE STRUCTURE FOR
THOMPSON'S SANITARY SERVICE, INC.
FOR SOLID WASTE ,RECYCLING, AND COMPOSTING

Whereas, the City of Newport and Thompson's Sanitary Service, Inc. entered into a solid waste franchise agreement in May of 2007; and

Whereas, Section 12(1)(a) of the May 2007 agreement states that the Franchisee shall charge and collect those rates adopted by the City Council resolution each year; and

Whereas, Section 12(1)(h)(1) of the May 2007 agreement states that the city shall review the report [a rate review report] and, if the city's review of the report indicates that the operating ratio is likely to be less than 85 percent or greater than 91 percent, the franchisee shall implement new rates for the next year. The rates shall provide the franchisee an operating ratio of 88 percent; and

Whereas, The City Council has reviewed Thompson's Sanitary Service, Inc. 2014 Rate Review Report and the operating ratio is 99.12%; and

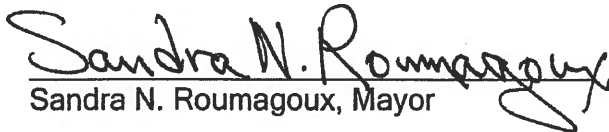
Whereas, the calculated rate to bring Thompson's Sanitary Service, Inc. to an operating ratio 88% would require an increase in rates of 8.63%; and

Whereas, Thompson's Sanitary Service, Inc. had initially reduced the requested increase to 6.18% which would provide an operating ratio of 90.02%, and in consideration of the elimination of expenses for the Agate Beach Closure Fee in accordance with City of Newport Resolution No. 3713 further reduced the request to a 5.80% increase; and

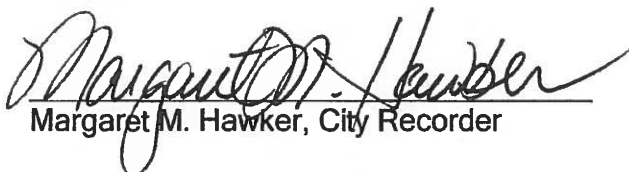
Whereas, notwithstanding provisions for rate adjustments afforded in the May 2007 franchise agreement, Thompson's Sanitary Service, Inc. is requesting and recommending that two thirds of the calculated adjustment be implemented as of July 1, 2015, which will amount to a 3.87% increase in rates, with any remaining adjustments being considered as part of the rate approval process allowed by the Franchise Agreement for the year beginning July 1, 2016.

The City of Newport resolves as follows:

The City Council authorizes a 3.87% increase in solid waste, recycling, and compositing rates effective July 1, 2015, in accordance with Attachment A. titled Thompson's Sanitary Service Proposed Rate Schedule.


Sandra N. Roumagoux, Mayor

ATTEST:


Margaret M. Hawker, City Recorder

Thompsons Sanitary Service					
Proposed Rate Schedule					
Effective July 1, 2015					
RESIDENTIAL SERVICE	Current Rate	Per	3.87%	With Increase	Proposed (Rounded to nearest \$0.05)
24 Gallon Weekly	\$25.74	Month	\$1.00	\$26.74	\$26.75
24 - No CMP weekly	\$19.15	Month	\$0.74	\$19.89	\$19.90
35 Gallon Weekly	\$26.94	Month	\$1.04	\$27.98	\$28.00
35 Monthly	\$23.24	Month	\$0.90	\$24.14	\$24.15
65 Gallon Weekly	\$46.84	Month	\$1.81	\$48.65	\$48.65
65 Gallon Monthly	\$38.84	Month	\$1.50	\$40.34	\$40.35
COMMERCIAL					
35 Gallon Weekly	\$21.35	Month	\$0.83	\$22.18	\$22.20
65 Gallon Weekly	\$41.70	Month	\$1.61	\$43.31	\$43.30
96 Gallon Weekly	\$59.05	Month	\$2.29	\$61.34	\$61.35
1 yd container Weekly	\$115.25	Month	\$4.46	\$119.71	\$119.70
200 Gallon Tub weekly	\$115.25	Month	\$4.46	\$119.71	\$119.70
Extra pickup	\$29.00	Each	\$1.12	\$30.12	\$30.10
1.5 yd container Weekly	\$162.55	Month	\$6.29	\$168.84	\$168.85
300 Gallon tub Weekly	\$162.55	Month	\$6.29	\$168.84	\$168.85
Extra pickup	\$40.60	Each	\$1.57	\$42.17	\$42.15
450 Gallon Weekly	\$240.10	Month	\$9.29	\$249.39	\$249.40
Special pick up (15 minute Min)	\$25	Minute	\$0.97	\$25.97	\$25.95
Temporary Containers					
1 Yd Container	\$43.45	Each	\$1.68	\$45.13	\$45.15
1.5 Yd Container	\$65.30	Each	\$2.53	\$67.83	\$67.85
Rent	\$4.35	Day	\$0.17	\$4.52	\$4.50
Additional Services					
Lid Up	\$2.45	Each	\$0.09	\$2.54	\$2.55
Extra Trash/Relocate	\$4.95	Each	\$0.19	\$5.14	\$5.15
Valet	\$9.90	Month	\$0.38	\$10.28	\$10.30
Enhanced	\$2.05	Minute	\$0.08	\$2.13	\$2.15
Trash In Recycling	\$14.75	Each	\$0.57	\$15.32	\$15.30
Return For Service	\$6.05	Each	\$0.23	\$6.28	\$6.30

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:7.A.
Meeting Date: 5-16-16

Agenda Item:

**Communication from Lincoln County Transit - Annual Report - Cynda Bruce,
Program Director**

Background:

Attached is a communication and annual report that was provided by Cynda Bruce in accordance with the intergovernmental agreement with City of Newport. Cynda will be present to give a brief presentation and answer any questions regarding this report.

Recommendation:

None

Fiscal Effects:

The City of Newport provided \$90,000 in operational funds for the city loop for the fiscal year covered by the report.

Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel, City Manager



Annual Report **City of Newport** **Newport Loop Bus Service** **March 30, 2016**

[Signature]
 Linda B. Davis
 Executive Director



Lincoln County Transportation Service District

Cynda Bruce, Program Director

410 NE Harney Street

Newport, OR 97365-2898

Phone: (541) 265-4900

Fax: (541) 574-1296

cbruce@co.lincoln.or.us

March 29, 2016

Spencer Nebel, Newport City Manager

Mayor Sandra Roumagoux

Newport City Council Members

Newport Budget Committee Members

169 SW Coast Highway

Newport, OR 97365

Greetings Mr. Nebel, Mayor Roumagoux and City Council Members,

You will find a copy of Lincoln County Transportation Service District's annual report to the City of Newport as outlined in the Terms of our Intergovernmental Agreement with the City of Newport. The following are attached:

- **Copy of the District's proposed budget, including breakdown by source of revenues;**
- **Copy of the most recent audit (FY 2014/15);**
- **Daily ridership, hours, miles, fuel and fare statistics for the Newport Loop service;**
- **Cost per rider;**
- **Marketing materials;**
- **Other miscellaneous information.**

I am taking this opportunity to thank the City of Newport for appointing a representative to participate on the transit advisory committee. This committee meets on a quarterly basis with additional special meetings being called as needed. The Transit program is currently working on three separate and distinct planning projects. Having a representative from the City of Newport to provide input on the direction of our Transit District over the next 5-10 years will be mutually beneficial for the City and Transit District. Your representative is your liaison between the City of Newport and Lincoln County Transit. If there are issues or concerns that you would like to see addressed make sure your representative (Wendy Engler) is aware of them so they can be brought to an advisory committee meeting to be addressed.

Regards,

Cynda Bruce

Cynda Bruce, Program Director

PROPOSED BUDGET

FISCAL YEAR 2016-2017

BUDGET WORKSHEET
Fund: 204 - TRANSIT DISTRICT FUND

DEPT/ OBJECT #		2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2015-2016 YTD @ 12/31/2015	2015-2016 Projection	2016-2017 Proposed Budget
Department: 115 - TRANSIT ADMINISTRATION							
REVENUE							
204-115-31110	CURRENT YEAR PROPERTY TAX	586,096	620,570	585,000	582,623	600,000	620,000
204-115-31120	PRIOR YEAR PROPERTY TAX	21,754	22,755	20,000	13,729	20,000	20,000
204-115-31210	LAND SALE DISTRIBUTIONS	-	82	-	-	-	-
204-115-33107	5311 OPERATING FUNDS	444,416	497,746	527,611	179,526	527,611	527,611
204-115-33108	5310 CAPITAL GRANTS	20,161	380,695	205,398	-	47,614	410,198
204-115-33510	STATE FORESTRY SALES DISTR	2,636	9,498	-	3,692	3,692	-
204-115-33771	FEDERAL CAPITAL GRANT	-	56,430	-	-	-	-
204-115-33780	STATE STF TRANSFER	81,284	191,728	139,595	70,798	139,595	141,000
204-115-33782	STATE EMPLOYEE ASSESSMENTS	86,917	66,371	70,000	20,067	66,000	66,000
204-115-33785	US DEPT OF ENERGY	114,127	-	-	-	-	-
204-115-34940	TRANSIT FEES	135,547	145,969	150,000	70,492	141,000	145,000
204-115-34941	AGENCY PASSES	80,374	91,209	90,000	38,959	80,000	84,000
204-115-34942	NEWPORT SERVICES	90,000	90,000	90,000	90,000	90,000	90,000
204-115-34943	LINCOLN CITY SERVICES	28,000	29,000	29,000	33,000	33,000	33,000
204-115-34944	TRIBAL SERVICE FEES	320,922	260,672	260,000	65,168	260,672	260,672
204-115-34990	OTHER CHARGES FOR SERVICE	2,145	-	500	1,050	500	500
204-115-36175	INTEREST	10,442	12,174	10,000	7,127	10,000	10,000
204-115-36177	VEHICLE ADVERTISING	7,700	-	-	11,275	11,275	10,000
204-115-36650	REFUNDS & REIMBURSEMENTS	1,047	1,644	2,000	917	1,000	1,000
204-115-36990	MISCELLANEOUS	7,941	6,058	3,000	7,638	7,638	7,000
204-115-40000	BEGINNING BALANCE	2,056,861	2,160,042	2,233,061	2,414,791	2,414,791	2,367,123
	TOTAL REVENUE	4,098,372	4,642,644	4,415,165	3,610,852	4,454,388	4,793,104
PERSONNEL SERVICES							
204-115-90201	DIRECTOR	81,138	83,184	92,078	39,349	92,078	96,555
204-115-90229	OPERATIONS SUPERVISOR	113,154	116,052	121,033	54,299	120,000	126,850
204-115-90317	TRANSIT BUS DRIVER	409,951	402,131	525,417	197,591	525,417	547,744
204-115-90325	TRANSIT DISPATCHER	94,136	73,435	70,853	34,402	75,000	70,444
204-115-90420	ON CALL EMPLOYEE	116,664	109,887	90,000	34,567	70,000	90,000
204-115-90501	OVERTIME	19,596	15,910	40,000	8,174	20,000	40,000
204-115-90504	COMP TIME PAY OFF	-	-	3,000	-	-	3,000
204-115-90603	TELEPHONE STIPEND	1,680	1,680	2,520	1,120	2,520	2,520
204-115-90801	FICA	62,337	62,893	72,285	27,913	65,000	74,749
204-115-90802	401(K) RETIREMENT	79,852	79,902	94,039	37,188	82,000	97,582
204-115-90804	HEALTH INSURANCE	120,051	77,010	216,252	32,685	116,000	248,317
204-115-90805	DENTAL INSURANCE	21,725	16,094	30,921	6,538	25,000	33,545
204-115-90806	LIFE INSURANCE	980	971	1,440	457	1,400	1,440
204-115-90807	LTD INSURANCE	2,927	3,073	8,301	2,512	6,000	8,630
204-115-90808	WORKER'S COMPENSATION	49,061	49,554	59,786	19,003	50,000	52,025
204-115-90809	UNEMPLOYMENT	8,723	8,428	9,449	1,866	5,000	4,886
204-115-90810	PEHP	1,560	1,625	1,560	715	1,560	1,560
204-115-90812	HEALTH SAVINGS ACCOUNT	23,145	20,895	51,000	1,125	30,000	52,500
	TOTAL PERSONNEL SERVICES	1,206,679	1,122,723	1,489,934	499,503	1,286,975	1,552,347
MATERIALS & SERVICES							
204-115-91101	TRAVEL EXPENSE	3,931	3,958	7,500	979	4,000	7,500
204-115-91102	FLEET SERVICES	333,210	374,129	426,000	196,650	400,000	390,000
204-115-91201	MEALS & LODGING	3,347	2,193	6,000	870	2,000	6,000
204-115-91401	TELEPHONE	3,660	3,462	5,000	1,260	3,600	5,000
204-115-91501	POSTAGE	226	230	500	91	500	500
204-115-91601	PRINTING & PUBLICATIONS	6,293	10,227	25,000	2,157	5,000	25,000
204-115-92101	EQUIPMENT REPAIR	-	-	4,000	1,010	1,010	4,000
204-115-92801	PROFESSIONAL SERVICES	475	75	5,000	74	1,000	5,000
204-115-92802	PROFESSIONAL CONFERENCE	-	-	3,000	-	1,000	3,000
204-115-92803	AUDIT EXPENSE	4,840	5,070	5,500	-	5,500	5,500
204-115-92807	DOCTORS/EXAMS	1,204	2,045	3,000	810	1,800	3,000
204-115-92901	MEMBERSHIP FEES & DUES	1,590	1,595	2,500	252	1,000	3,000
204-115-93301	MAINTENANCE AGREEMENTS	2,062	-	3,000	-	-	3,000
204-115-93901	CONTRACTUAL SERVICES	82,328	15,253	70,000	17,810	30,000	70,000
204-115-93947	TILLAMOOK CONNECTION	19,042	29,371	45,000	19,638	45,000	48,500
204-115-94101	OFFICE SUPPLIES	1,017	3,193	3,500	147	1,500	3,500

BUDGET WORKSHEET
Fund: 204 - TRANSIT DISTRICT FUND

DEPT/ OBJECT #	2013-2014 Actual	2014-2015 Actual	2015-2016 Budget	2015-2016 YTD @ 12/31/2015	2015-2016 Projection	2016-2017 Proposed Budget
204-115-94102 FURNITURE & EQUIP < \$10,000	3,250	3,759	10,000	8,699	10,000	10,000
204-115-95102 MEDICAL SUPPLIES	-	-	500	-	-	500
204-115-95202 CONTINUING EDUCATION	620	90	2,500	-	-	2,500
204-115-95901 OTHER SUPPLIES	2,511	2,923	16,000	1,394	5,000	16,000
204-115-96301 PROPERTY/LIABILITY INSURANCE	1,112	7,934	5,000	51	5,000	5,000
204-115-96302 VEHICLE INSURANCE	18,714	25,361	28,000	32,980	32,980	37,107
204-115-96601 RENTALS OF SPACE	2,400	2,400	2,400	1,200	2,400	2,400
204-115-96901 INDIRECT COST ALLOCATION	129,960	137,652	150,000	60,177	140,000	150,000
204-115-96902 ROAD BILLABLE COSTS	2,202	-	5,000	-	-	5,000
TOTAL MATERIALS & SERVICES	623,996	630,918	833,900	346,248	698,290	811,007
<u>CAPITAL EXPENDITURES</u>						
204-115-98201 EQUIPMENT	-	34,670	90,000	-	72,000	-
204-115-98301 MOTOR VEHICLES	108,139	439,542	573,000	-	-	777,600
204-115-98302 BUS STOP SIGNAGE & EQUIPMENT	-	-	30,400	-	30,000	120,000
TOTAL CAPITAL EXPENDITURES	108,139	474,212	693,400	-	102,000	897,600
TOTAL DEPARTMENT 115	1,938,814	2,227,853	3,017,234	845,751	2,087,265	3,260,954
Department: 116 - SPECIAL TRANSPORTATION GRANT						
<u>REVENUE</u>						
204-116-33766 STATE GRANT	6,196	6,434	2,000	-	2,000	2,000
TOTAL REVENUE	6,196	6,434	2,000	-	2,000	2,000
<u>MATERIALS & SERVICES</u>						
204-116-93810 SENIOR SERVICES	1,258	1,258	-	-	-	-
204-116-93814 SENIOR COMPANION PROGRAM	3,176	3,176	-	-	-	-
204-116-94101 OFFICE SUPPLIES	1,278	2,000	2,000	62	2,000	2,000
TOTAL MATERIALS & SERVICES	5,712	6,434	2,000	62	2,000	2,000
TOTAL DEPARTMENT 116	5,712	6,434	2,000	62	2,000	2,000
<u>ENDING BALANCE</u>						
204-115-99501 CONTINGENCY	-	-	337,691	-	-	337,691
204-115-99601 RESERVE FOR FUTURE EXPENSES	-	-	647,142	-	-	781,361
204-115-99603 COMPENSATED ABSENCES	-	-	413,098	-	-	413,098
TOTAL ENDING BALANCE	-	-	1,397,931	-	-	1,532,150
<i>Revenue Over (Under) Expenditures</i>	<i>2,160,042</i>	<i>2,414,791</i>	<i>-</i>	<i>2,765,039</i>	<i>2,367,123</i>	<i>-</i>

RIDERSHIP STATISTICS

NEWPORT CITY LOOP

Date	Riders	Hours	Miles	Gallons	Fares
3/1/2015	66	10	137	14.5	\$34.08
3/2/2015	68	10	139	14	\$46.00
3/3/2015	85	10	140	9	\$58.70
3/4/2015	67	10	141	16	\$31.01
3/5/2015	68	10	138	14.4	\$37.09
3/6/2015	79	10	137	17.25	\$34.00
3/7/2015	67	10	137	15	\$37.91
3/8/2015	62	10	138	0	\$30.00
3/9/2015	64	10	139	12	\$41.00
3/10/2015	69	10	136	14	\$37.00
3/11/2015	80	10	139	14	\$52.55
3/12/2015	63	10	140	0	\$33.06
3/13/2015	71	10	137	14.25	\$33.00
3/14/2015	75	10	137	15	\$22.05
3/15/2015	78	10	134	13.5	\$23.00
3/16/2015	72	10	139	14	\$43.05
3/17/2015	67	10	139	14	\$41.10
3/18/2015	50	10	139	13	\$31.00
3/19/2015	85	10	139	15	\$50.98
3/20/2015	72	10	136		\$38.00
3/21/2015	56	10	135	14	\$27.00
3/22/2015	54	10	138	14.5	\$32.00
3/23/2015	61	10	137	13.5	\$30.00
3/24/2015	61	10	139	13.6	\$33.00
3/25/2015	77	10	139	14.75	\$30.00
3/26/2015	81	10	138	14.5	\$33.75
3/27/2015	68	10	137	13.9	\$27.80
3/28/2015	53	10	133.9	14	\$29.00
3/29/2015	58	10	136	13	\$21.00
3/30/2015	59	10	139	13	\$39.85
3/31/2015	74	10	141	29.5	\$40.00
Totals	2110	310	4273.9	407.15	\$1,097.98

Date	Riders	Hours	Miles	Gallons	Fares
4/1/2015	82	10	139	14	\$52.00
4/2/2015	63	10	141		\$32.00
4/3/2015	80	10	136	15.4	\$43.95
4/4/2015	57	10	135	14	\$33.00
4/5/2015	71	10	135	14	\$24.00
4/6/2015	89	10	139	15.9	\$43.61
4/7/2015	80	10	140	14	\$42.00
4/8/2015	95	10	140	14.6	\$61.00
4/9/2015	75	10	140	14	\$34.95
4/10/2015	91	10	136	15.5	\$39.00
4/11/2015	72	10	142	13.75	\$18.00
4/12/2015	61	10	138	14	\$23.94
4/13/2015	75	10	137	15.8	\$35.00
4/14/2015	69	10	140	13	\$33.90
4/15/2015	70	10	140	13	\$35.96
4/16/2015	71	10	140	15	\$32.00
4/17/2015	91	10	139	15.25	\$45.98
4/18/2015	63	10	137	14	\$24.00
4/19/2015	69	10	138	13.25	\$18.12
4/20/2015	80	10	137	14	\$38.10
4/21/2015	83	10	141	23.8	\$33.00
4/22/2015	70	10	141	29	\$41.00
4/23/2015	70	10	138	16.7	\$33.00
4/24/2015	87	10	138	15.5	\$44.90
4/25/2015	68	10	137	14.5	\$15.00
4/26/2015	72	10	139		\$23.00
4/27/2015	67	10	138	13.6	\$33.00
4/28/2015	61	10	140	15	\$29.00
4/29/2015	64	10	139	14	\$33.22
4/30/2015	83	10	139	14.9	\$44.22
Totals	2229	300	4159	429.45	1039.85

Date	Riders	Hours	Miles	Gallons	Fares
5/1/2015	78	10	138	14.25	\$38.00
5/2/2015	90	10	139	14	\$29.90
5/3/2015	74	10	137	15	\$44.81
5/4/2015	69	10	138	13	\$37.05
5/5/2015	79	10	138	16.5	\$45.01
5/6/2015	68	10	136	15.5	\$43.05
5/7/2015	81	10	54	14	\$21.00
5/8/2015	77	10	141	14	\$21.00
5/9/2015	64	10	139	13.7	\$40.70
5/10/2015	66	10	136	13.4	\$22.91
5/11/2015	69	10	139	13.7	\$47.56
5/12/2015	65	10	138	13.8	\$39.00
5/13/2015	80	10	135	15.5	\$35.88
5/14/2015	83	10	138	16.23	\$22.95
5/15/2015	70	10	138	14	\$31.65
5/16/2015	65	10	138	13.1	\$19.69
5/17/2015	67	10	140	14.4	\$30.98
5/18/2015	85	10	138	14.8	\$37.05
5/19/2015	65	10	140	17.25	\$47.47
5/20/2015	77	10	135	14	\$56.65
5/21/2015	69	10	136	15.5	\$31.95
5/22/2015	75	10	138	13.5	\$31.70
5/23/2015	81	10	137	14.5	\$47.68
5/24/2015	73	10	138	13.5	\$40.07
5/25/2015	68	10	138	15.6	\$32.00
5/26/2015	71	10	140	12.6	\$31.00
5/27/2015	66	10	139	15.5	\$32.00
5/28/2015	72	10	138	14	\$28.71
5/29/2015	87	10	136	14.5	\$25.00
5/30/2015	78	10	138	13.4	\$30.75
5/31/2015	87	10	139	13.8	\$22.95
Totals	2299	310	4192	446.53	1066.12

Date	Riders	Hours	Miles	Gallons	Fares
6/1/2015	81	10	138	13.9	\$21.95
6/2/2015	71	10	138	13.7	\$34.00
6/3/2015	83	10	137	16	\$35.65
6/4/2015	66	10	136	14	\$34.35
6/5/2015	74	10	139	14.55	\$21.00
6/6/2015	72	10	137	13.3	\$32.25
6/7/2015	56	10	138	14	\$28.00
6/8/2015	78	10	137	14	\$17.02
6/9/2015	86	10	138	15	\$25.01
6/10/2015	75	10	137	16.75	\$40.00
6/11/2015	79	10	138	16	\$34.00
6/12/2015	87	10	140	15	\$24.80
6/13/2015	63	10	138	14	\$35.10
6/14/2015	66	10	139	14	\$32.00
6/15/2015	85	10	139	37.7	\$29.00
6/16/2015	79	10	140	16	\$47.00
6/17/2015	72	10	137	16.02	\$30.05
6/18/2015	96	10	138	14.75	\$23.00
6/19/2015	95	10	137	15.6	\$40.34
6/20/2015	66	10	140	15	\$35.00
6/21/2015	56	10	139	14.4	\$40.08
6/22/2015	80	10	137	14.4	\$51.15
6/23/2015	62	10	138	16	\$43.20
6/24/2015	84	10	137	15.5	\$27.95
6/25/2015	80	10	142	14.75	\$32.31
6/26/2015	82	10	141	18.95	\$51.00
6/27/2015	71	10	139	14.5	\$43.00
6/28/2015	67	10	139	14.6	\$46.75
6/29/2015	64	10	139	13.8	\$36.51
6/30/2015	66	10	136	36	\$35.93
Totals	2242	300	4148	492.17	1027.4

Date	Riders	Hours	Miles	Gallons	Fares
7/1/2015	87	10	136	14.14	\$35.80
7/2/2015	90	10	138	14	\$24.00
7/3/2015	123	10	140	13.5	\$36.66
7/4/2015	79	10	138	17	\$34.95
7/5/2015	65	10	140	18	\$22.00
7/6/2015	95	10	139	15.25	\$42.21
7/7/2015	80	10	138	16	\$31.00
7/8/2015	64	10	136	14.5	\$26.00
7/9/2015	77	10	134	14	\$47.00
7/10/2015	71	10	136	14	\$46.00
7/11/2015	82	10	139	14.5	\$27.79
7/12/2015	64	10	139	14.6	\$52.00
7/13/2015	72	10	138	18	\$41.66
7/14/2015	61	10	138	13	\$20.00
7/15/2015	74	10	136	14.5	\$32.00
7/16/2015	85	10	139	14.2	\$49.00
7/17/2015	82	10	135	14	\$53.71
7/18/2015	79	10	138	14.2	\$42.92
7/19/2015	57	10	137	15.5	\$48.10
7/20/2015	93	10	140	15.5	\$55.91
7/21/2015	99	10	138	15.5	\$39.02
7/22/2015	66	10	136	13.5	\$17.86
7/23/2015	71	10	135	15.5	\$43.00
7/24/2015	85	10	135	15.9	\$49.95
7/25/2015	73	10	138	14.2	\$33.92
7/26/2015	53	10	138	13.7	\$33.95
7/27/2015	99	10	138	15.6	\$24.65
7/28/2015	70	10	139	5	\$40.43
7/29/2015	70	10	137	14.02	\$43.95
7/30/2015	88	10	134	14.6	\$32.05
7/31/2015	66	10	135	15.3	\$43.00
Totals	2420	310	4257	451.21	\$1,170.49

Date	Riders	Hours	Miles	Gallons	Fares
8/1/2015	67	10	140	21.9	\$31.00
8/2/2015	63	10	140	26.5	\$49.11
8/3/2015	65	10	139	16.25	\$38.94
8/4/2015	81	10	138	16.5	\$45.33
8/5/2015	75	10	134	15.3	\$46.92
8/6/2015	69	10	134	17	\$62.90
8/7/2015	78	10	136	16.8	\$34.77
8/8/2015	81	10	138	15.2	\$33.43
8/9/2015	69	10	138	15	\$34.00
8/10/2015	92	10	140	15.25	\$33.61
8/11/2015	82	10	137	14.75	\$24.05
8/12/2015	87	10	140	14	\$35.00
8/13/2015	65	10	137	18.4	\$38.00
8/14/2015	65	10	137	14.2	\$38.80
8/15/2015	68	10	81	14.6	\$40.00
8/16/2015	70	10	141	13.7	\$57.00
8/17/2015	81	10	138	15	\$30.00
8/18/2015	68	10	136	14.5	\$33.91
8/19/2015	79	10	136	15.2	\$53.00
8/20/2015	84	10	135	15.2	\$45.05
8/21/2015	77	10	136	20.5	\$40.02
8/22/2015	75	10	137	14.4	\$40.00
8/23/2015	72	10	138	15.75	\$34.59
8/24/2015	83	10	138	15.5	\$41.98
8/25/2015	85	10	138	14.25	\$27.80
8/26/2015	65	10	137	14.9	\$28.15
8/27/2015	82	10	135	14.6	\$33.05
8/28/2015	86	10	136	18.6	\$38.02
8/29/2015	76	10	138	14.3	\$34.00
8/30/2015	71	10	138	15.5	\$25.80
8/31/2015	87	10	138	13.75	\$24.84
Totals	2348	310	4204	497.3	\$1,173.07

Date	Riders	Hours	Miles	Gallons	Fares
9/1/2015	57	10	141	14.5	\$29.02
9/2/2015	75	10	136	14.9	\$35.32
9/3/2015	76	10	134	14.1	\$28.75
9/4/2015	56	10	138	14.4	\$28.00
9/5/2015	74	10	135	14.5	\$36.10
9/6/2015	71	10	139	15.1	\$40.93
9/7/2015	61	10	140	14.75	\$28.60
9/8/2015	63	10	139	14.76	\$26.92
9/9/2015	62	10	135	14.1	\$39.70
9/10/2015	58	10	132	15.4	\$28.00
9/11/2015	70	10	134	14.7	\$20.70
9/12/2015	89	10	137	13	\$19.90
9/13/2015	76	10	139	17.5	\$29.05
9/14/2015	64	10	139	12.25	\$23.04
9/15/2015	89	10	139	15.6	\$36.11
9/16/2015	77	10	135	15.8	\$32.75
9/17/2015	68	10	136	15.2	\$34.75
9/18/2015	72	10	137	15.4	\$29.80
9/19/2015	79	10	138	15.25	\$42.85
9/20/2015	72	10	147	15.22	\$17.00
9/21/2015	85	10	136	13	\$26.02
9/22/2015	73	10	137	12.9	\$46.82
9/23/2015	76	10	134	12	\$29.00
9/24/2015	79	10	135	15.1	\$32.00
9/25/2015	70	10	133	16	\$32.16
9/26/2015	73	10	139	21	\$19.10
9/27/2015	69	10	139	15.25	\$26.00
9/28/2015	78	10	139	15.25	\$36.90
9/29/2015	74	10	139	16	\$30.00
9/30/2015	79	10	135	16.9	\$30.00
Totals	2165	300	4116	449.83	\$915.29

Date	Riders	Hours	Miles	Gallons	Fares
10/1/2015	81	10	141	16.5	\$34.00
10/2/2015	95	10	137	15.6	\$27.50
10/3/2015	63	10	140	15.8	\$30.18
10/4/2015	58	10	139	15	\$24.00
10/5/2015	89	10	140	15.51	\$21.00
10/6/2015	86	10	140	16.5	\$38.72
10/7/2015	72	10	136	15.6	\$30.95
10/8/2015	76	10	138	14.6	\$28.00
10/9/2015	74	10	136	16.75	\$39.00
10/10/2015	69	10	139	15.5	\$27.41
10/11/2015	42	10	139	15.76	\$22.75
10/12/2015	69	10	137	16.3	\$22.50
10/13/2015	69	10	140	16.6	\$39.00
10/14/2015	84	10	135	19.1	\$37.00
10/15/2015	76	10	138	33.99	\$25.66
10/16/2015	70	10	137	18.25	\$26.86
10/17/2015	66	10	138	12	\$42.32
10/18/2015	51	10	139	14.6	\$24.05
10/19/2015	67	10	139	16	\$21.08
10/20/2015	69	10	141	16.1	\$28.85
10/21/2015	68	10	138	13.5	\$28.00
10/22/2015	68	10	136	14.4	\$20.00
10/23/2015	68	10	136	14.26	\$27.40
10/24/2015	51	10	141	16.51	\$30.80
10/25/2015	35	10	140	13.5	\$28.06
10/26/2015	84	10	138	17	\$16.05
10/27/2015	74	10	140	12.86	\$36.98
10/28/2015	57	10	138	18.3	\$17.00
10/29/2015	59	10	138	16.4	\$24.72
10/30/2015	60	10	137	15	\$28.10
10/31/2015	72	10	140	13.36	\$25.00
Totals	2122	310	4291	501.15	\$872.94

Date	Riders	Hours	Miles	Gallons	Fares
11/1/2015	39	10	140	17.01	\$25.00
11/2/2015	74	10	141	17.1	\$31.00
11/3/2015	85	10	138	16.8	\$38.10
11/4/2015	78	10	136	17.4	\$44.52
11/5/2015	67	10	136	15.05	\$26.00
11/6/2015	81	10	140	17.75	\$30.00
11/7/2015	47	10	138	14.5	\$27.00
11/8/2015	55	10	140	16.8	\$33.90
11/9/2015	89	10	141	13.6	\$45.97
11/11/2015	47	10	136	16.7	\$31.00
11/10/2015	73	10	142	15	\$39.00
11/12/2015	67	10	135	17	\$29.10
11/14/2015	45	10	137	18	\$27.00
11/15/2015	45	10	138	15.76	\$18.00
11/13/2015	69	10	139	16.2	\$33.01
11/16/2015	64	10	139	15.75	\$26.00
11/17/2015	57	10	137	17.25	\$20.10
11/18/2015	70	10	139	16.5	\$25.80
11/19/2015	54	10	134	16.6	\$25.08
11/20/2015	89	10	137	16.4	\$28.95
11/21/2015	59	10	137	17.6	\$23.00
11/22/2015	70	10	139	16.7	\$24.90
11/23/2015	83	10	138	16.1	\$15.00
11/24/2015	64	10	135	17.7	\$18.00
11/25/2015	58	10	136	17.9	\$29.16
11/27/2015	82	10	137	18.02	\$20.95
11/28/2015	59	10	138	24.13	\$33.80
11/29/2015	51	10	141	16	\$28.00
11/30/2015	61	10	137	16.75	\$29.60
Totals	1882	300	4001	488.07	\$826.94

Date	Riders	Hours	Miles	Gallons	Fares
12/1/2015	86	10	139	34	\$24.90
12/2/2015	63	10	136	13.4	\$29.93
12/3/2015	53	10	139	14.9	\$21.00
12/5/2015	60	10	136	13.77	\$25.05
12/4/2015	90	10	139	8.51	\$25.00
12/6/2015	52	10	140	14.01	\$22.95
12/7/2015	53	10	126	13.7	\$37.51
12/8/2015	74	10	140	13.7	\$26.15
12/9/2015	75	14	136	15	\$2.00
12/10/2015	50	10	138	14.6	\$28.85
12/13/2015	51	10	136	14	\$32.80
12/11/2015	71	10	138	14.01	\$27.00
12/12/2015	57	10	139	14	\$23.00
12/15/2015	77	10	138	13.54	\$39.05
12/15/2015	49	10	140	14.24	\$27.01
12/16/2015	53	10	138	20	\$39.00
12/17/2015	63	10	137	10.58	\$32.00
12/19/2015	62	10	137	14.51	\$27.00
12/18/2015	57	10	140	14.7	\$36.00
12/20/2015	51	10	140	16.01	\$29.95
12/21/2015	72	10	140	15.1	\$28.05
12/22/2015	77	10	138	12	\$66.87
12/23/2015	77	10	137	18.5	\$22.00
12/27/2015	56	10	138	21.26	\$37.61
12/26/2015	72	10	137	31.4	\$34.00
12/24/2015	77	10	140	14.5	\$24.00
12/28/2015	64	10	140	16	\$35.75
12/29/2015	72	10	138	15.5	\$25.75
12/30/2015	69	10	139	14.8	\$42.00
12/31/2015	82	10	137	14	\$18.00
Totals	1965	310	4136	474.24	\$890.18

Date	Riders	Hours	Miles	Gallons	Fares
1/1/2016	56	10	138	14.01	\$32.00
1/2/2016	67	10	140	12.28	\$26.00
1/3/2016	41	10	138	14	\$22.00
1/4/2016	77	10	137	17.1	\$37.94
1/10/2016	41	10	137	15.5	\$33.00
1/8/2016	56	10	138	14.5	\$18.00
1/9/2016	70	10	140	14.12	\$39.85
1/6/2016	57	10	138	18.92	\$24.72
1/7/2016	63	10	140	12	\$15.00
1/11/2016	67	10	139	16.3	\$48.00
1/5/2016	70	10	140	15.5	\$34.05
1/12/2016	47	10	140	15.85	\$24.00
1/13/2016	68	10	138	13.32	\$34.91
1/14/2016	83	10	138	20.12	\$56.90
1/17/2016	43	10	138	14.37	\$31.00
1/18/2016	64	10	137	8.03	\$33.00
1/16/2016	55	10	145	13.5	\$25.85
1/15/2016	73	10	138	15.3	\$28.04
1/19/2016	52	10	137	13.55	\$16.86
1/20/2016	76	10	135	14.94	\$40.22
1/21/2016	80	10	137	14	\$26.00
1/23/2016	44	10	136	15.56	\$28.90
1/22/2016	79	10	138	16	\$33.10
1/24/2016	40	10	139	16.4	\$20.25
1/25/2016	84	10	137	12.98	\$25.50
1/26/2016	61	10	139	13.7	\$26.50
1/28/2016	71	10	137	15	\$30.85
1/28/2016	65	10	136	14	\$32.80
1/30/2016	62	10	136	14	\$27.00
1/29/2016	73	10	132	14	\$23.00
1/31/2016	68	10	134	14	\$39.00
Totals	1953	310	4272	452.85	\$934.24

Date	Riders	Hours	Miles	Gallons	Fares
2/1/2016	83	10	139	14	\$27.00
2/2/2016	66	10	140	14	\$39.00
2/3/2016	74	10	138	20	\$32.00
2/4/2016	57	10	136	11	\$29.00
2/7/2016	45	10	139	0	\$27.00
2/6/2016	61	10	136	15	\$36.00
2/8/2016	74	10	137	15	\$30.00
2/5/2016	78	10	144	16	\$30.00
2/9/2016	68	10	138	15	\$28.00
2/10/2016	65	10	144	12	\$66.87
2/11/2016	61	10	139	19	\$22.00
2/15/2016	66	10	139	15	\$37.00
2/14/2016	41	10	139	15	\$23.00
2/13/2016	60	10	141	15	\$36.00
2/12/2016	75	10	139	22	\$38.00
2/16/2016	84	10	139	31	\$34.00
2/17/2016	47	10	136	15	\$24.00
2/18/2016	69	10	137	16	\$36.00
2/19/2016	63	10	139	16	\$26.00
2/22/2016	64	10	137	15	\$42.00
2/21/2016	35	10	139	14	\$18.00
2/20/2016	66	10	138	14	\$32.00
2/23/2016	49	10	138	12	\$26.00
2/24/2016	71	10	138	14	\$22.00
2/25/2016	64	10	141	17	\$38.00
2/26/2016	63	10	139	15	\$33.00
2/27/2016	49	10	134	10	\$23.00
2/28/2016	40	10	141	15	\$25.00
2/29/2016	65	10	139	14	40
Totals	1803	290	4023	436	\$919.87

COST PER RIDE

NEWPORT CITY LOOP

COST PER RIDER

NEWPORT CITY LOOP

Cost to operate Newport City Loop = \$298,480

10 hours per day, 7 days a week

Newport City Loop Fares = \$ 11,935

NET COST = \$286,545

Number of Riders – 25,538

Unsubsidized Cost Per Rider:

\$286,545 divided by 25,538 = \$11.22

City of Newport Subsidized Cost Per Rider:

\$90,000 divided by 25,538 = \$3.52

Lincoln County Transit Subsidized Cost Per Rider:

\$196,545 divided by 25,538 = \$7.69

Marketing Strategy for FY 2015/16

MARKETING MATERIALS

Marketing Strategy for FY 2015/16

As you read through the marketing plan for Lincoln County Transit you will note that the emphasis has been placed on getting people from the Valley over to our beautiful Coastal areas to visit. This is being addressed by focusing our radio and print advertising in the Valley and directing their residents to our coastal communities. We have also been advertising in the Oregon State University (OSU) Daily Barometer. This is a planner used by over 8,000 students on a regular basis. Great exposure for school breaks including spring vacation and summer break! We continue to offer our 3 day (\$25) and 7 day (\$30) passes for one trip to and from the Valley with unlimited bus rides up and down the coastline from Yachats to Astoria.

LINCOLN COUNTY – BENTON COUNTY

Coast-to-Valley Express

2015-16 MARKETING PLAN

The 2015-16 marketing plan for the Coast-to-Valley service will consist of implementing the following major components (not necessarily listed in priority order):

1. Custom CTV Posters in Linn/Benton/Lincoln County buses and selected locations:
 - a. Linn County to Newport
 - b. Adair Village to Newport
 - c. OSU to Newport
 - d. Newport to Corvallis
2. Radio Spots – 15 second Coast-to-Valley plugs:
 - a. Develop customized radio spot thru Maverick Media
 - b. Free public service radio announcements using Benton/Lincoln Co. PIO's
 - c. Paid targeted radio spots as affordable thru Maverick Media:
 - i. KLOO FM - Classic Rock target audience is 18-49 skews male
 - ii. KLOO AM - News/Talk target audience is 35-64
 - iii. KRKT FM - Contemporary Country target audience skews female 25-54
3. OSU AroundCampus Media Advertisements:
 - a. Quarter-page full color ad on back page of Faculty/Staff Directory
 - b. Full-page full color ad inside Faculty/Staff Directory
 - c. Full-page full color ad inside Student Planner/Day-minder
 - d. Multiple-search-criteria listing on AroundCampus website
http://www.aroundcampus.com/listing/1290278?cid=337077&bln=2&aid=3462&b_name=Coast+to+Valley+Connector
 - e. Multiple-search-criteria listing on AroundCampus smartphone app with direct tap-to-dial connection
4. Coast-to-Valley links and maps on the new, updated Northwest Connector website:
<http://www.nwconnector.net/>
5. OSU-Targeted Marketing:
 - a. Posters and brochures at OSU Memorial Student Union and other campus locations.
 - b. Tabling at University-sponsored events
 - c. Bundled brochures for distribution at OSU student dormitories using OSU Hospitality Services
 - d. Presentations at OSU Marine Sciences classes and/or events



4110 S.E. Hawthorne Blvd., Number 268 Portland, OR 97214
Phone: 503-233-9096 Email: bugme@maverickmediabuy.com

NW CONNECTOR

BENTON COUNTY -CORVALLIS

Spring Break Campaign 2016

3/4/16 2:51 PM

OVERVIEW

Engage audiences on radio and in print to consider using the Connector to get to the coast for Spring Break. All media is targeted with the message and demos ranging from 18-54. Using a mix of :15's and :30's for radio. There is also a web component that accompanies the newspaper.

RADIO

OPTIONS

KRKT FM - COUNTRY

Demo is A 18-54

14x per week 3/11-15

\$379.00

14x per week 3/16-22

\$486.00

KEJO AM - OSU SPORTS/BEAVERS

Demo is A 18-34

14x per week 3/11-15

\$146.00

14 x per week 3/16-22

\$146.00

KTTH FM - COMEDY 990

Demo is A 18-49

13x per week 3/11-15

\$118.00

\$0.00

16x per week 3/16-22

\$140.00

\$0.00

TOTAL REDUCED SCHEDULE:

\$1,157.00

PRINT

Albany Democrat-Herald

2c x 6" (3.339" x 6") Full Color

\$324.00

\$0.00

Run Date: 3/12, 15, 19

Space Deadline: 3/1

Ad Deadline: 3/9

Web component

\$100.00

\$0.00

10 K online banner & 10K Mobile impressions

The Commuter

4" x 6" Full Color

Run Date: 3/4, 3/11

Space Deadline: 2/20

Ad Deadline: 2/25

\$300.00

Corvallis Gazette-Times

2c x 6" (3.339" x 6") Full Color

Run Date: 3/12, 15, 19

Space Deadline: 3/1

Ad Deadline: 3/9

\$324.00

\$0.00

Web component

10 K online banner & 10K Mobile impressions

\$100.00

\$0.00

Daily Barometer

2c x 6" (3.458" x 6") Full Color

Run Date: 3/9

Space Deadline: 3/2

Ad Deadline: 3/6

\$453.00

\$0.00

PRODUCTION**RADIO**

1x :30 Spring Break reuse and 1x:15 reuse

\$275.00

AGENCY COORDINATION**TOTAL PLAN****\$1,732.00**

Client	Agency	Product	Estimate
Corvallis Gazette-Times	The Commuter	2c x 6" (3.339" x 6") Full Color	\$324.00
Daily Barometer	2c x 6" (3.458" x 6") Full Color	\$453.00	
Radio	1x :30 Spring Break reuse and 1x:15 reuse	\$275.00	
Agency Coordination			
TOTAL PLAN			\$1,732.00



The
AROUNDCAMPUS
Group

ADVERTISING PROOF

CONTACT US - MAIL: 88 WilCom Center Drive, Ste 160 • Chapel Hill, NC 27514

FAX: 800.743.0009 • PHONE : 800.743.5556 • EMAIL: artwork@aroundcampus.com

CUSTOMER INFORMATION

ACCOUNT# : 213501 Coast to Valley
Express CONTRACT#: 350558

PROOF DATE: March 18, 2016

MAILING ADDRESS: Lee Lazaro
Coast to Valley Express
PO Box 1083
Corvallis OR 97339

EMAIL: lee.lazaro@corvallisoregon.gov

PHONE: 541-754-1748

FAX:

PUB CODE/EDITION YEAR:

OREGONST/2016/P

DISTRIBUTED AT:

Oregon State University

WHAT'S NEXT? →

1 REVIEW PROOF

Review ALL pages of this proof.
Verify all business info is correct.

2 MAKE CHANGES

If any ad corrections are needed,
please mark them on the proof.

3 SIGN & RETURN

Check one box, sign and
return proof by fax, mail or email.

IT'S EASY AS 1-2-3...

Please check one



LOVE IT

(Artwork approved.)



NOT IN LOVE...JUST YET.

(Approved with changes made.)



NEEDS SOME WORK.

(Please send updated proof.)

RETURN PROOF BY: April 1, 2016

Please sign and print your name:



signature
Lee K. Lazaro
print name

3/22/16
date

I understand that this advertisement can not be cancelled. The AroundCampus Group will not be held responsible for any error in information which was authorized by your signature. Failure to return will not result in cancellation and will print as shown.

ORDER SUMMARY


Category	Sub-Category	Item
Consumer Guide	Bus Lines	Regular Listing
Around Campus	Travel	Line Listing - Web
Planner Cover	Special Placement	Inside Back Cover Quarter Pg Vertical Planner Pos 4
Consumer Guide	Bus Service	Anchor Regular Listing
Consumer Guide	Bus Service	Full Pg

Coast to Valley Express		ACCOUNT#: 213501 Coast to Valley Express			CONTRACT#: 350558
Category	Sub-Category	Item	Due Date	Status	
Consumer Guide	Bus Lines	Regular Listing	4/1/2016	Approved	
PLEASE REVIEW BUSINESS LISTING AND NOTE ANY CHANGES		 Coast to Valley Express www.coasttovalley.com.....541-752-2615			
Around Campus	Travel	Line Listing - Web	4/1/2016	Approved	
PLEASE REVIEW BUSINESS LISTING AND NOTE ANY CHANGES		 Coast to Valley Express 541-752-2615 http://www.coasttovalley.com			

Coast to Valley Express		ACCOUNT#: 213501 Coast to Valley CONTRACT#: 350558 Express		
Category	Sub-Category	Item	Due Date	Status
Planner Cover	Special Placement	Inside Back Cover Quarter Pg Vertical Planner Pos 4	4/1/2016	Ready to Proof



Artwork# 12421815

Coast to Valley Express		ACCOUNT#: 210501 Coast to Valley Express CONTRACT#: 350558		
Category	Sub-Category	Item	Due Date	Status
Consumer Guide	Bus Service	Anchor Regular Listing	4/1/2016	Approved
PLEASE REVIEW BUSINESS LISTING AND NOTE ANY CHANGES		 Coast to Valley Express www.coasttovalley.com541-752-2615		
Consumer Guide	Bus Service	Full Pg	4/1/2016	Ready to Proof

Want to go to the beach?

You can ride the  Shuttle right

from the OSU campus  to the

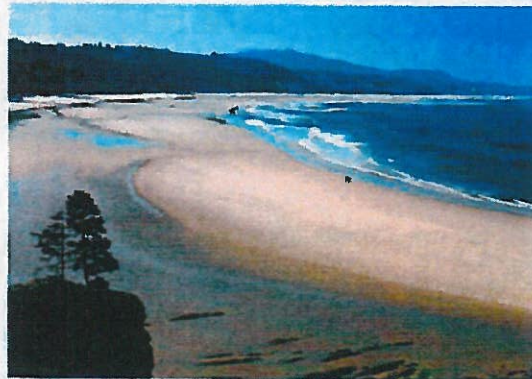


Hilton Garden Inn then...

hop aboard the  bus



to the beach in Newport....and beyond!



Beverly Beach, Newport, Oregon

From the Willamette Valley to the beautiful Oregon coast and everywhere in between, we have it covered!

Call (541)752-2615 or log on to

www.coasttovalley.com or www.nwconnector.net

Artwork# 12421816

Want to go to the beach?

Just a quick ride or walk from OSU



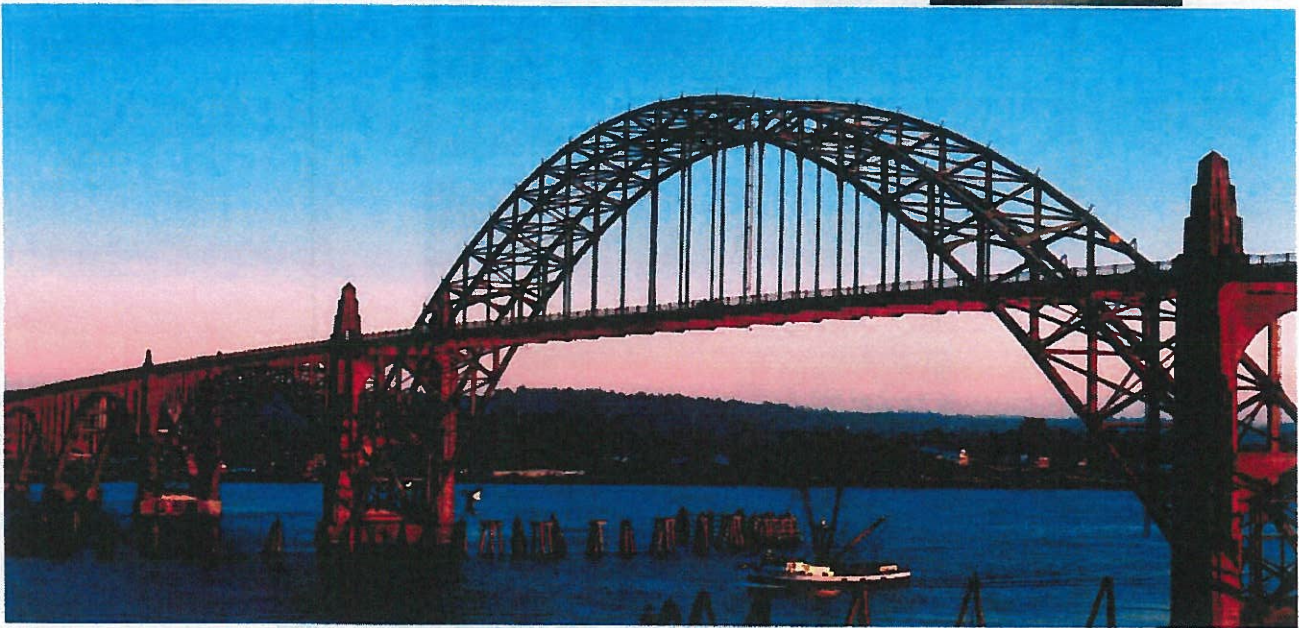
campus to the Hilton Garden Inn



then hop aboard the **COAST TO VALLEY EXPRESS** bus to the



beach in Newport....and beyond!



Newport, Oregon

**From the Willamette Valley to the beautiful Oregon coast
and everywhere in between, we have it covered!**

Call 541-752-2615 or log on to

www.coasttovalley.com or www.nwconnector.net

Your Ticket TO THE Oregon Coast!

from Portland, Salem and Corvallis... with free transfers north and south.
Oh yeah... we've got bike racks! www.nwconnector.net

OXO CONNECTOR
get on it!

7-Day Pass... ONLY \$30



www.nwconnector.net

BOOMER & SENIOR

Advertising Agreement

4120 River Road N. Keizer, OR 97303 | Keizer Office: 503-304-1323

I We, Coast to Valley Express, (hereinafter referred to as the client) do hereby agree with Northwest Boomer & Senior News (hereinafter referred to as the Publication) to run advertising for a period of April consecutive months, beginning with the April 2016 issue thru Sept. 2016 issue.

The Client will run a minimum of: (check all that apply)

☒ A Display Ad, 10 column inches (2 columns wide 5 inches high) of advertising space in the Publication each month. The client may change the size, shape and copy month to month providing the minimum column inches are maintained. Said advertising shall be billed at \$ 30 per column inch, per edition, per month. The Ad will be: B/W ☐ or Color ☒. The color rate per ad, per edition per month will be \$ 75. If client increases ad size at any time during the contract, the size and color rate price will adjust accordingly. The cost of the Display Ad will be \$ 375 per month.

Client will run ad published in print, monthly, in Color ☐ or B/W ☐ for \$ a month, per edition:
☐ Retirement Directory Listing ☐ Healthy Living Directory Listing ☐ Service Directory Listing
☐ Calendar Page Ad ☐ Specialty Pg / Restaurant or Dining Ad: ☐ single ☐ double ☐ other

Client will run ad published online on Publications' website, monthly, in color for \$ a month.
☐ Retirement Directory Listing ☐ Healthy Living Directory Listing ☐ Service Directory Listing
☐ Box Ad ☐ Banner Ad ☐ Skyscraper ☒ 1/2 Skyscraper

Said print advertising shall appear in the following edition(s):

☐ Portland/Metro ☒ Linn/Benton ☐ Marion/Polk/Coast ☐ Lane County

Copy changes and/or cancellations must be received by the publications advertising deadline for each edition or client assumes payment for that edition. In case client fails to fulfill the terms of this agreement, Publisher will re-bill for the entire amount of the uncompleted contract to the advertiser. The advertisers are responsible for the charges billed.

This agreement entered into this 9th day of March 2016 ☒

Benton County Transportation Lincoln County Transit
 Business Name Advertising Agency Name

☒ Lee K. Lazaro
 SIGNATURE: Business Owner Authorized Rep

Cynda Bruce
 SIGNATURE: Agency Authorized Representative

☒ Lee K. Lazaro
 PRINTED: Business Owner Authorized Rep

Cynda Bruce
 PRINTED: Agency Representative Name

Business Address P.O. Box 1083 Corvallis Public Works
 City Corvallis State OR Zip 97339

Business 541-766-6729 Mobile Fax ☒

Email Address lee.lazaro@corvallisoregon.gov

Clark T. Seeliger
 Northwest Boomer & Senior News, Advertising Representative

Northwest Boomer & Senior News, Publisher

Revised January 2016

Want to go to the Coast?

You can ride the COAST TO VALLEY EXPRESS bus from Albany or Corvallis to the beautiful beaches in Newport...and beyond!

NW Connector Passes

*Unlimited travel on the coast
from Yachats to Astoria!*

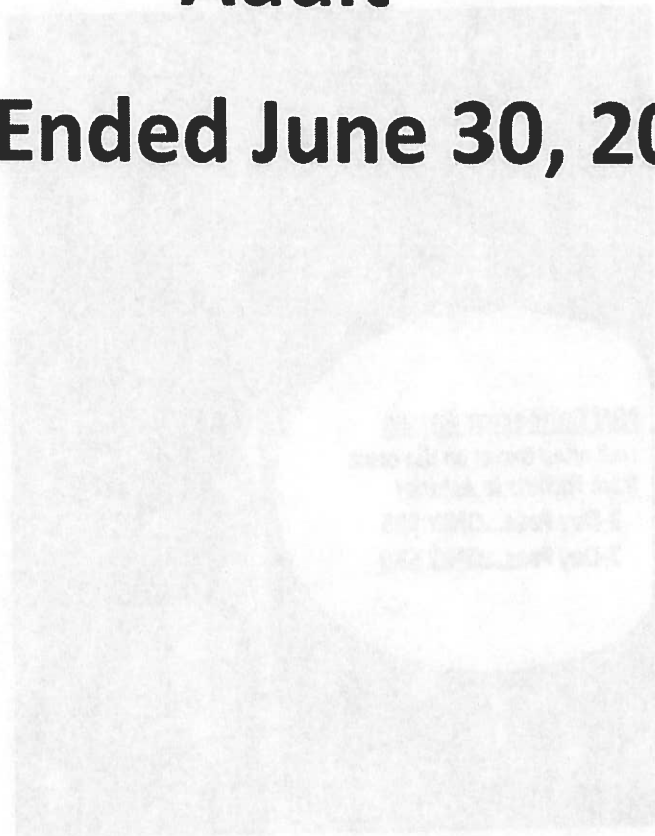
3-Day Pass...ONLY \$25

7-Day Pass...ONLY \$30

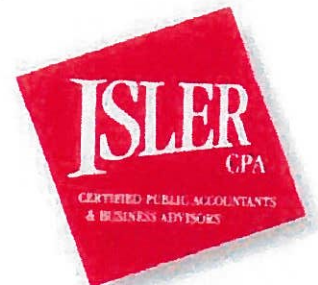
Call 541-752-2615 or go to:
coasttovalley.com

Audit

Year Ended June 30, 2015



LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT
(A COMPONENT UNIT OF LINCOLN COUNTY)
NEWPORT, OREGON
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
with Independent Auditor's Report
Year Ended June 30, 2015



LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT
(A COMPONENT UNIT OF LINCOLN COUNTY)

Principal Officials

June 30, 2015

BOARD OF COMMISSIONERS

Title

Name

Commissioner, Chair
Commissioner
Commissioner

Doug Hunt
Bill Hall
Terry N. Thompson

All individuals receive mail at the address listed below:

225 W Olive Street
Newport, OR 97365

ADMINISTRATIVE STAFF

Wayne Belmont, County Counsel
225 W Olive Street
Newport, OR 97365

Janice Riessbeck, Director of Finance
210 SW Second Street
Newport, OR 97365

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT
(A COMPONENT UNIT OF LINCOLN COUNTY)

For the Year Ended June 30, 2015

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Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) General Fund	5
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln County Transportation Service District
Newport, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Lincoln County Transportation Service District ("District"), a component unit of Lincoln County, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the general fund of the District as of June 30, 2015, and the changes in its financial position and the budgetary comparison of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



An Independently Owned Member
McGLADREY ALLIANCE



Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated February 8, 2016 on our consideration of District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By:

Paul R Nielson

Paul R Nielson, CPA, a member of the firm
Eugene, Oregon
February 8, 2016

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT
Governmental Funds Balance Sheet / Statement of Net Position

June 30, 2015

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
ASSETS			
Due from Lincoln County	\$ 2,367,973	\$ -	\$ 2,367,973
Receivables	146,956	-	146,956
Capital assets:			
Equipment	-	1,087,948	1,087,948
Total assets	<u>\$ 2,514,929</u>	<u>1,087,948</u>	<u>3,602,877</u>
LIABILITIES			
Accounts payable	\$ 23,600	-	23,600
Payroll and related accruals	28,472	-	28,472
Compensated absences	-	102,308	102,308
Total liabilities	<u>52,072</u>	<u>102,308</u>	<u>154,380</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	48,069	(48,069)	-
FUND BALANCE / NET POSITION			
Fund balance:			
Unassigned	<u>2,414,788</u>	<u>(2,414,788)</u>	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,514,929</u>		
Net position:			
Net investment in capital assets		1,087,948	1,087,948
Unrestricted		<u>2,360,549</u>	<u>2,360,549</u>
Total net position		<u>\$ -</u>	<u>\$ 3,448,497</u>

Fund balances of the governmental fund have been adjusted and reported differently than the net position of the governmental activities because:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.
- Property taxes that are accrued, but not collected within 60 days following year end are not recognized as revenues in the governmental funds and are reported as deferred inflows of resources on the balance sheet.
- Compensated absence liabilities are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet.

The notes to the financial statements are an integral part of this statement

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
REVENUES			
Taxes and land sales	\$ 643,407	\$ (3,303)	\$ 640,104
Intergovernmental revenues	1,208,902	-	1,208,902
Charges for services	616,850	-	616,850
Investment earnings	12,174	-	12,174
Miscellaneous	7,702	-	7,702
Total revenues	<u>2,489,035</u>	<u>(3,303)</u>	<u>2,485,732</u>
COMMUNITY SERVICE EXPENDITURES / EXPENSES			
Personal services	1,122,723	6,443	1,129,166
Materials and services	637,352	-	637,352
Capital outlay	474,212	(474,212)	-
Depreciation	-	274,902	274,902
Total community service expenditures / expenses	<u>2,234,287</u>	<u>(192,867)</u>	<u>2,041,420</u>
Net change in fund balance / net position	254,748	189,564	444,312
Fund balance / net position:			
Beginning of year	<u>2,160,040</u>	<u>844,145</u>	<u>3,004,185</u>
End of year	<u>\$ 2,414,788</u>	<u>\$ 1,033,709</u>	<u>\$ 3,448,497</u>

Amounts reported for governmental activities are different than those of the General Fund because of the following:

- Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.
- Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds, instead they are reported as deferred inflows of resources.
- Expenses related to the change in compensated absences are reported in the statement of activities and do not require the use of current financial resources, therefore, they are not reported as expenditures in the governmental funds.

The notes to the financial statements are an integral part of this statement

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 597,000	\$ 597,000	\$ 643,407	\$ 46,407
Intergovernmental revenues	703,221	1,054,778	1,208,902	154,124
Charges for services	550,500	550,500	616,850	66,350
Investment earnings	8,000	8,000	12,174	4,174
Other revenue	8,000	8,000	7,702	(298)
Total revenues	<u>1,866,721</u>	<u>2,218,278</u>	<u>2,489,035</u>	<u>270,757</u>
Expenditures:				
Personal services	1,430,300	1,430,300	1,122,723	307,577
Materials and services	617,709	617,709	637,352	(19,643)
Capital outlay	220,000	659,542	474,212	185,330
Contingency	462,838	374,853	-	374,853
Total expenditures	<u>2,730,847</u>	<u>3,082,404</u>	<u>2,234,287</u>	<u>848,117</u>
Net change in fund balance	<u>(864,126)</u>	<u>(864,126)</u>	<u>254,748</u>	<u>1,118,874</u>
Fund balance:				
Beginning of year	<u>1,777,224</u>	<u>1,777,224</u>	<u>2,160,040</u>	<u>382,816</u>
End of year	<u>\$ 913,098</u>	<u>\$ 913,098</u>	<u>\$ 2,414,788</u>	<u>\$ 1,501,690</u>

The notes to the financial statements are an integral part of this statement

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT

Notes to the Financial Statements

June 30, 2015

Note 1 - Description of the District and summary of significant accounting policies

A. Organization

The Lincoln County Transportation Service District ("District") was funded in November 1996. The District provides a comprehensive transportation program. Services include a scheduled-stop bus-system (the "Central Coast Connection") along the Highway 101 corridor, outlying cities and communities, and ancillary feeder lines available to all residents of the County. A "dial-a-ride" service is also provided for the transit disadvantaged and senior and disabled members of the County, enabling them to obtain medical and other services.

The District had no potential component units. Since Lincoln County is financially accountable for and significantly influences the operations of the District and the County Board of Commissioners also serves as the District's Board, the District is included as a blended component unit in the Comprehensive Annual Financial Report of Lincoln County for the year ended June 30, 2015.

B. Basis of presentation

Government-wide financial statements

The Statement of Net Position and Statement of Activities display information about the primary government ("District"). These statements include all the financial activities of the District. Governmental activities are supported by taxes and operating grants.

The Statement of Activities presents a comparison between direct expenses and revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

When both restricted and unrestricted net position are available, restricted net position is used first and then unrestricted resources are used as needed.

Fund financial statements

The fund financial statements provide information about the District's only fund, the General Fund. This fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District.

C. Basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes and intergovernmental revenues are the major source of nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are recorded using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectible within 60 days following year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT

Notes to the Financial Statements

June 30, 2015

Note 1 - Description of the District and summary of significant accounting policies, continued

D. Receivables

Property taxes receivable in the governmental fund types, which have been collected within 60 days following year end are considered measurable and available and are recognized as revenues. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Grant receivables will be recognized as revenue in the current period if they are material, measurable, and the related expenditures have been incurred.

All property taxes receivable are due from owners of property within the County.

Receivables for the state shared revenue are recorded as the revenue is earned.

E. Capital assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is unavailable. Contributed capital assets are valued at their estimated fair market value on the date contributed. The District defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements. The estimated useful lives are as follows:

Equipment

3 to 15 years

F. Compensated absences

Compensated absences and related taxes are not recorded as expenditures in the governmental funds until paid. Sick leave does not vest, except in the following two cases: employees who reach the age of 55 or older; and employees who are represented by the Lincoln County Employee's Association - Transit, and have been a member of the union for at least five years. In both of these circumstances, the sick leave is 50 percent vested upon their retirement. Sick leave accumulates at the rate of 8 hours per month for the employees who qualify for vested sick leave.

All benefit-eligible employees (after six months of continuous service) earn vacation leave. The amount earned per pay period is determined based upon length of service and representation. Accumulation limits of vacation leave differ by length of service.

Certain employees earn paid leave for personal holidays with a maximum accumulation of 8 hours. All non-exempt benefit-eligible employees are eligible for compensatory time with a maximum accumulation of 80 hours for most employees with the exception of employees who work 24 hour shifts, in which case the maximum accumulation is 120 hours.

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT

Notes to the Financial Statements

June 30, 2015

Note I - Description of the District and summary of significant accounting policies, continued

G. Fund balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the County Commissioners pass an ordinance that places specific constraints on how the resources may be used. The County Commissioners can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the County Commissioners approve which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the General Fund.

H. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets to be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at the fiscal year end.

The District begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Board of County Commissioners adopts the budget, makes appropriations, and categorizes the tax levy no later than June 30. Expenditures appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations sets the level at which expenditures cannot legally exceed appropriations. The District established the levels of budgetary control at the personal services, material and services, capital outlay, operating contingencies, debt service, and all other requirement levels.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Note II - Amounts due from Lincoln County

Amounts due from Lincoln County are comprised of funds held and invested by the Lincoln County Treasurer. Interest earnings are allocated from the Treasurer based on the proportion of the District's funds to total County funds. Reference should be made to the County's Comprehensive Annual Financial Report for the year ended June 30, 2015 for compliance with Oregon Revised Statutes relating to the collateralization of deposits and the County's policies related to custodial credit risk. The District's cash and investments are maintained in the name of the County.

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT

Notes to the Financial Statements

June 30, 2015

Note III - Receivables

Receivables for the year ended June 30, 2015 are as follows:

Taxes	
Grant receivable	\$ 55,017
Total receivables	<u>91,939</u>
	<u>\$ 146,956</u>

Note IV - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

<u>Governmental Activities</u>	<u>Balances July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2015</u>
<i>Capital assets being depreciated:</i>				
Equipment	\$ 1,938,088	\$ 474,212	\$ (54,204)	\$ 2,358,076
<i>Less accumulated depreciation for:</i>				
Equipment	<u>1,049,430</u>	<u>274,902</u>	<u>(54,204)</u>	<u>1,270,128</u>
Total capital assets being depreciated, net	<u>\$ 888,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,087,948</u>

Note V - Defined contribution plan

The District contributes to the Lincoln County Retirement Plan ("Plan"). The Plan is a defined contribution pension plan 401(k) established by the County to provide benefits to substantially all County and District employees. At June 30, 2015, there were 466 Plan members. Required contributions are made by the District monthly, based upon 11 percent of eligible employees' salaries. The District's contribution for each employee and interest allocated to the employee's account are fully vested after four years of membership. District contributions for, and interest forfeited by, employees who leave employment before four years of service are placed in a forfeiture account. This account is used to pay current charges for administration of the plan and may be used to reduce the District's contribution requirement. County-wide employer contributions were \$1,986,451 and employees contributed \$485,558 for the year ended June 30, 2015. Investments are self-directed by the employees between a fixed income account and a number of equity funds. The Plan is administered by the Board of County Commissioners. All Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners.

Note VI - Deferred compensation plan

The District's employees can contribute to the Lincoln County deferred compensation plan created in accordance with the Internal Revenue Code Section 457(g) ("457 Plan"). The 457 Plan is administered by independent plan administrators through administrative service agreements. The 457 Plan is available to substantially all employees of the County. Employees may defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The 457 Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to claims of the County's creditors, nor can they be used by the County for any purpose other than the payment of benefits to the plan participants. Accordingly, these plan assets and related liability are not recorded on the accompanying statement of net assets. Employee contributions to the 457 Plan for the year ended June 30, 2015, were \$309,454 for all County employees.

LINCOLN COUNTY TRANSPORTATION SERVICE DISTRICT**Notes to the Financial Statements**

June 30, 2015

Note VII - Risk Management

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The District is covered against such risks of loss through the commercial insurance purchased by the County. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

COMPLIANCE SECTION

WISCONSIN COUNTY TRANSPORTATION DISTRICT

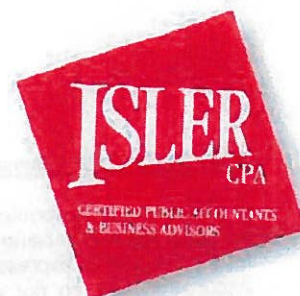
Letter to the Federal Highway

April 30, 2013

Subject: 2013-2014

The District is pleased to receive your letter of April 23, 2013, regarding the 2013-2014 Wisconsin County Transportation District (WCTD) application. The District is currently reviewing your application and will be in contact with you again in the near future regarding the 2013-2014 WCTD application. The District is currently reviewing your application and will be in contact with you again in the near future regarding the 2013-2014 WCTD application.

COMPLIANCE SECTION



COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUTE

An independently Licensed Member
McGLADREY ALLIANCE



Board of Commissioners
Lincoln County Transportation Service District
Newport, Oregon

We have audited the basic financial statements of Lincoln County Transportation Service District, Oregon ("District") as of and for the year ended June 30, 2015, and have issued our report thereon dated February 8, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Budgets legally required (ORS Chapter 294)
- Insurance and fidelity bonds in force or required by law
- Programs funded from outside sources
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended for the information of management, the County Commissioners and the Secretary of State, Audits Division, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

Paul R. Nielson

Paul R Nielson, CPA, a member of the firm
for Isler CPA
February 8, 2016
Eugene, Oregon

MISCELLANEOUS INFORMATION

MISCELLANEOUS INFORMATION

Miscellaneous Information

- Lincoln County Transit recognizes the importance of maintaining cleanliness of the bus shelters. It was recently brought to my attention that the shelters at Newport City Hall were not receiving the attention needed. Cleaning of the shelters has been increased from once monthly to every other Tuesday to ensure this goal continues to be met.
- I am currently working with our Fleet Manager to order buses discussed in last year's annual report to the City of Newport. We will be purchasing a total of six new buses with two being purchased for services provided within the city of Newport (one city loop bus and one dial-a-ride bus).
- Lincoln County Transit have received the funding for our bus stop signage project previously discussed with the city. This project will begin shortly and will be completed (county wide) by the end of next fiscal year. I am still looking for assistance from the City of Newport with this project within the city boundary.
- Lincoln County Transit is in the process of working on three planning projects supported by ODOT Public Transit Division, Lincoln County and the Transit District.
 - 1) Transit Development Plan: At a 2013/14 meeting that I gave a report at, concern was voiced by Ms. Webster regarding the District's "Business Plan". This plan will be our business plan and our roadmap to guide the District over the next 5-10 years.
 - 2) Human Service Coordinated Plan: This plan is a needs assessment, among other things, and is required to continue receiving specific funding through the Public Transit Division. Public forums will be held shortly as we are nearing the end of this planning and public involvement process.
 - 3) CONNECTOR Management Plan: This plan is being done to assist our 5-county CONNECTOR program moving forward in a well thought out, deliberate style. We are working on seamless connections (coordinated schedules have been challenging), assuring all stops are safe and ADA accessible, agreeing on a lead agency for grant funds to flow through and other issues our CONNECTOR group currently faces. Lincoln County Transit plays a major role in this project through our Coast to Valley service, connections with Tillamook Transit going to Tillamook and on to Grand Ronde and Salem. All of these services have connections with AMTRAK, with others connecting to Greyhound and the Portland Airport. These services not only get our residents to their out of county destinations but just as important bring travelers to our tourism destination county.

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:7.5.
Meeting Date: 5-16-16

Agenda Item:

Communication from Environment Oregon - Solarize Lincoln County, Charlie Fisher, Clean Energy Advocate.

Background:

On behalf of Environmental Oregon, Charlie Fisher, Clean Energy Advocate, has asked to make a presentation to the City Council on Solarize Lincoln County. Solarize is a collaboration between a municipality and a solar contractor to promote solar energy use in Lincoln County. In order to proceed with this issue, an estimated cost of \$10,000 county wide has been identified with a goal of Lincoln County contributing \$5,000 and \$5,000 being contributed from the various city budgets. Newport's contribution will be a portion of the city budgeted funds.

Recommendation:

None at this time. If the City Council is interested in being a partner in this effort, I would suggest that the matter be referred back to City Administration for a report recommendation.

Fiscal Effects:

None by hearing the presentation.

Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel, City Manager

Solarize Lincoln County



Charlie Fisher, Clean Energy Advocate
Environment Oregon

Why Solar?



Environmental Benefits:

- No noise, air pollution or carbon emissions
- Integrates with the urban environment

Economic Benefits:

- Provides “green-collar” jobs—3,000 in Oregon!
- Cost of solar is dropping rapidly
- Fastest growing renewable energy source

Community Benefits:

- Saves customers money
- Local climate action
- Aids in disaster preparedness



Solar works for Oregon!



Massachusetts has nearly
10x more solar installed
than Oregon



Solar Energy Potential



Worst

Best

Solar in Lincoln County



- Cascade Coast Solar based in Newport
- Ten solar installers serve the county
- 575 kW installed solar capacity
 - (equivalent to 115 residential solar rooftops)
- Recommended goal of reaching 1.5 MW by 2022
- Solarize program can help meet that goal

Typical Cost of a PV System	
Estimated Cost for a 3.3KW Solar PV(Electric Power)	\$13,400
- Central Lincoln Pud Utility Rebate	- \$1650
- Oregon State Solar Tax Credit (taken \$1500 per year Max)	- \$6000
- Federal Solar Tax Credit	- \$3525
Estimated Net Cost of your Solar System	= \$2225

Image from Cascade Coast Solar

What is Solarize?



A collaboration between a municipality and a solar contractor

Municipal government:

Solar contractor:

Role:

- Educates the public
- Generates leads

- Offers limited-time discount
- Installs the panels

Benefit:

- Stimulates economic growth
- Helps meet solar goal

- Saves time and money
- Generates revenue

Why Solarize?



- Community-led outreach builds trust
- Overcomes three major barriers to installing solar
 - Complexity
 - High upfront costs
 - Customer inertia

Standard Path to Going Solar



research solar
options

talk to your
utility

find local
contractors

receive
multiple
bids

system
install!

finalize
system
design

finalize
financing

decide on
one bid

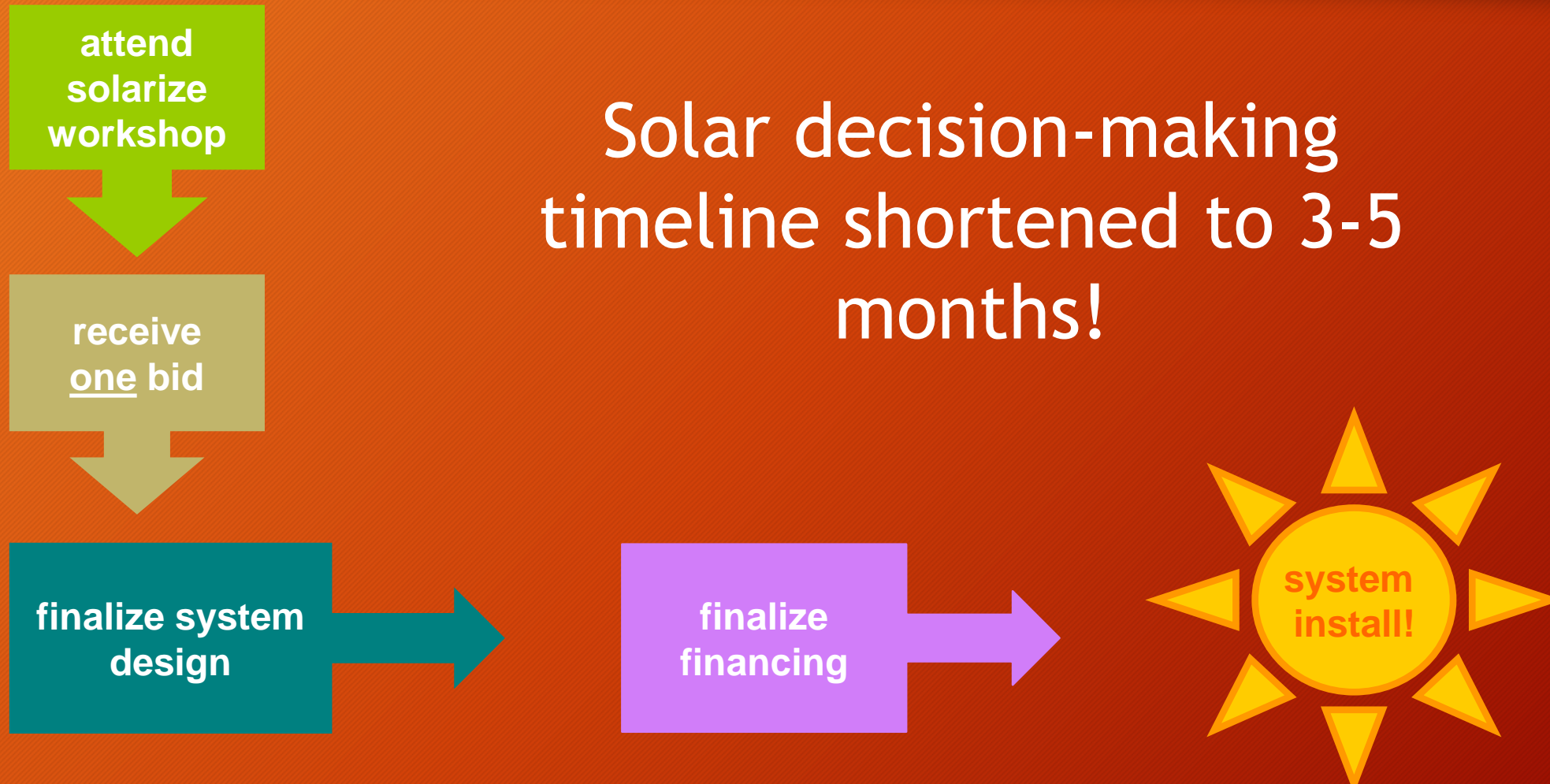
investigate
financing

117

Going Solar with Solarize



Solar decision-making
timeline shortened to 3-5
months!



Oregon Solarize Communities



- Clackamas County
- Eugene
- Happy Valley
- Hood River
- Pendleton
- Portland
- West Linn-Lake Oswego
- Milwaukie

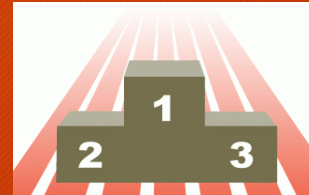
Solarize Success Story:

- Six “Solarize Portland” campaigns supported by the city
- Total of 1.7 MW of solar added on 560 homes
- In 2010 alone, number of PV installs was 400% greater than in 2009

Key Elements of Solarize



1) Contractor Selection



2) Public Outreach and Education



3) Limited-time Offer



Implementation



- Designate staff and volunteer roles
- Form an agreement with contractor(s)
- Organize educational workshops
- Measure and record success

Staff and Volunteer Roles



Campaign Manager

- County staff member oversees and facilitates the campaign

Volunteer Contractor Selection Committee

- 3-5 community members review proposals and select a contractor

Volunteer Outreach team

- 3-5 community members organize and promote workshops

Educational Workshops



The heart of the outreach campaign!

- Educates the public
- Builds trust
- Solidifies commitment
- Filters out homes
- Saves installer time



123

Environment Oregon solar workshop in Ashland

Cost of a Solarize Program



- Two options:
 - Run the Solarize program internally
 - OR
 - Contract with Northwest SEED or Solar Oregon
- Estimated Cost: \$10,000
 - Scalable based on county needs and resources
 - \$5,000 from county budget
 - \$5,000 from cities' budgets



Questions and Contact Info



Charlie Fisher

Clean Energy Advocate

Environment Oregon

charlie@environmentoregon.org

www.environmentoregon.org



CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.A.
Meeting Date: 5-16-16

Agenda Item:

Approval of Intergovernmental Agreement between the City of Newport and Lincoln County for Building Code Services

Background:

In 2009 the City of Newport and Lincoln County entered into a building code service agreement that makes building officials from the city and/or county available to cover each other when the counterpart is not available to perform responsibilities. The new agreement expands the scope to include reciprocal coverage for plan reviews and inspections required to implement the Oregon Electric, Plumbing and Mechanical Specialty Codes. This is significant since city assumed the inspection of these services. When either entity is providing services to the other entity they will be compensated at \$75/hour. It is much more likely the city will utilize county support more often than the county will utilize city support due to the staffing size.

Recommendation:

I recommend that the City Council consider the following motion:

I move approval of an Intergovernmental Agreement with Lincoln County for Building Code Services and authorize the Mayor to execute the document.

Fiscal Effects:

The city currently uses Clair Company Inc. based in Corvallis to supplement building services. With the agreement with the county we will be able to shift much of this work to the county. We will keep the agreement in place with Clair Company for assistance in plan reviews and to be available to perform inspection if city and county staff are unavailable.

Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel, City Manager



<p>STAFF REPORT CITY COUNCIL AGENDA ITEM</p>

Title: Intergovernmental Agreement with Lincoln County for Building Code Services

Prepared by: Derrick I. Tokos, AICP, Community Development Director

Recommended Motion: I move that the Council approve this intergovernmental agreement with Lincoln County for building code services and authorize the Mayor to sign the document as presented.

Background Information: The City of Newport and Lincoln County entered into a building code service agreement in 2009 to memorialize a longstanding arrangement between the two jurisdictions to make their Building Officials available to cover each other when they are on leave or are otherwise unavailable to perform their responsibilities. This new version of the agreement expands its scope to include reciprocal coverage for plan reviews and inspections required to implement the Oregon Electrical, Plumbing and Mechanical Specialty Codes. Further, it updates the amount of compensation from \$60 to \$75 an hour and clarifies the billing process.

The City expects to utilize County support more often than it would make its Building Official available to the County. This is largely a function of staffing. Lincoln County has an A-level Electrical and A-level Plumbing inspector on staff, in addition to redundancy at the Building Official position. The City has a single Building Official and while he possesses certifications to implement each of the listed codes, his workload is such that he can only provide limited support to the County.

Fiscal Notes: The City of Newport supplements its building services via a contract with Clair Company, Inc. which is based in Corvallis. This is a fairly efficient arrangement for plan reviews but not so much for A-level Electrical and A-level Plumbing inspections due to travel time. City will realize cost savings by utilizing County staff for these types of inspections. The contract with Clair Company will remain in place, where they will continue to assist with plan reviews, and will perform inspections when City and County staff are unavailable.

Alternatives: Not entering into the agreement. This would limit the City's ability to provide cost effective building services, particularly for A-Level Electrical and A-Level Plumbing inspections. It would also limit the depth of staffing that the City can draw upon to meet its building service responsibilities. Lastly, with the City assuming mechanical permitting responsibilities within its corporate limits effective 7/1/16, this agreement helps off-set the fiscal impact to the County of this service change.

Attachments: 2009 Building Service Intergovernmental Agreement with Lincoln County
2015 Building Service Contract with Clair Company, Inc.

INTERGOVERNMENTAL AGREEMENT

BUILDING CODES SERVICES

Pursuant to authority granted in Chapter 190 of the Oregon Revised Statutes, this agreement is entered into by and between Lincoln County, a political subdivision of the State of Oregon (hereinafter referred to as “County”) and the City of Newport (hereinafter referred to as “City”), collectively referred to as “Parties”.

Purpose: To ensure continuity of services related to building code administration in accordance with the Oregon Residential Specialty Code, Oregon Structural Specialty Code, the Oregon Plumbing Specialty Code, the Oregon Electrical Specialty Code, the Oregon Mechanical Specialty Code and Oregon Manufactured Dwelling and Parks Specialty Code during times that building officials are absent.

The parties agree as follows:

- A. **Effective Date.** This agreement shall be effective immediately upon execution by both parties.
- B. **Recitals.**
1. Both the City and County employ building officials.
 2. Building officials from time to time take vacations or other leave during the course of employment or have conflicts of interest or other professional obligations that prevent them from performing their duties.
 3. City and County seek to provide continuity of building codes plan review and inspection services in the event either parties’ building official is absent.
 4. ORS 190.010 to 190.030 provide for intergovernmental agreements between units of local government, including the City and County, to allow the performance of functions or activities by one unit of government for another.
 5. In the interest of ensuring continuity of service, the City and County will make their building officials available to back up each other, on an as needed basis.
- C. **Responsibilities.** City and County shall provide appropriately certified personnel to perform, on behalf of the other party, building codes plan review and inspections required pursuant to the Oregon Residential Specialty Code, the Oregon Structural Specialty Code, the Oregon Plumbing Specialty Code, the Oregon Electrical Specialty Code, the Oregon

Mechanical Specialty Code, and the Oregon Manufactured Dwelling and Parks Specialty Code. Specifically, City and County personnel will:

1. Examine and approve building plans to insure compliance with the One and Two Family Dwelling component of the Oregon Residential Specialty Code, the Oregon Plumbing Specialty Code, the Oregon Mechanical Specialty Code and the Oregon Electrical Specialty Code.
 2. Perform scheduled inspections of construction work for which the City or County has issued building permits as required for compliance with the Oregon Residential Specialty Code, the Oregon Manufactured Dwelling and Parks Specialty Code, the Oregon Plumbing Specialty Code, the Oregon Mechanical Specialty Code, the Oregon Electrical Specialty Code and the Oregon Structural Specialty Code.
 3. Compile reports of plan review and inspection activities and provide such reports to the respective party for their records in a timely manner.
 4. Conduct plan reviews and inspections provided on behalf of the other party in accordance with a schedule agreed upon by the City Community Development Director and the County Planning and Development Director.
- D. **Notice.** City and County agree to provide 30-day advance notice of the anticipated need for backup services, if such notice can be practicably given, at the very least 24 hours-notice shall be provided.
- E. **Payment for Services.** Payment of services set forth in C. above shall consist of payment for work performed at the rate of \$75.00 per hour. Parties agree to provide said payment within thirty (30) days of receipt of an invoice for the work performed. County shall provide quarterly invoices to City. City shall pay the balance due on January 15, April 15, July 15, and October 15 of each year (two weeks after the end of each quarter).
- F. **Insurance.** City and County shall maintain liability insurance in coverage and limits not less than the maximum tort limits set forth by ORS 30.270 during the term of this contract. Said insurance will apply to all professional activities related to this agreement.
- G. **Inspection and Copies of Records.** The City and County shall make available, without charge, records related to the provision of services under this agreement.
- H. **Indemnification.**
1. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300. City shall save, hold harmless, indemnify, and defend County, its officers, agents, and employees from all claims, suits or actions of

whatsoever nature resulting from or arising out of the activities of City, or its officers, agents and employees pursuant to this Agreement.

2. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall save, hold harmless, indemnify and defend City, its officers, agents and employees from all claims, suits or actions of whatsoever nature resulting from or arising out of the activities of County or its officers, agents and employees pursuant to this Agreement.

I. **Term.**

1. This agreement shall remain in effect until such time as it is terminated pursuant to paragraph 1.2. below, or until such time as it is superseded by subsequent agreement.
2. This agreement may be terminated at any time by mutual agreement of the parties or by written notice of one of the parties provided to the other party at least 30 (thirty) days prior to the date upon which termination is desired.

J. **Amendments.** This agreement may be amended by mutual agreement of the parties.

K. **Integration.** This agreement contains the entire agreement between City and County and supersedes all prior written or oral agreements.

IN WITNESS WHEREOF, the parties, by the duly authorized signatures below, hereby agree to be bound by the provisions of this agreement.

CITY OF NEWPORT

Sandra Roumagoux, Mayor

Date

LINCOLN COUNTY

Bill Hall, Chair

Date

Approved as to Form Only

Wayne Belmont
Lincoln County Counsel

Steve Rich
Newport City Attorney

APPROVED BY LINCOLN COUNTY

ORDER # 8-09-191

INTERGOVERNMENTAL AGREEMENT**BUILDING CODES SERVICES**

Pursuant to authority granted in Chapter 190 of the Oregon Revised Statutes, this agreement is entered into by and between Lincoln County, a political subdivision of the State of Oregon (hereinafter referred to as "County") and the City of Newport (hereinafter referred to as "City"), collectively referred to as "Parties."

Purpose: To ensure continuity of services related to building code administration in accordance with the Oregon Residential Specialty Code, Oregon Structural Specialty Code, and Oregon Manufactured Dwelling and Parks Specialty Code during times that building officials are absent.

The parties agree as follows:

A. **Effective Date.** This agreement shall be effective immediately upon execution by both parties.

B. **Recitals.**

1. Both the City and County employ building officials.
2. Building officials from time to time take vacations or other leave during the course of employment or have conflicts of interest or other professional obligations that prevent them from performing their duties.
3. City and County seek to provide continuity of building codes plan review and inspection services in the event either parties building official is absent.
4. ORS 190.010 to 190.030 provide for intergovernmental agreements between units of local government, including the City and County, to allow the performance of functions or activities by one unit of government for another.
5. In the interest of ensuring continuity of service the City and County will make their building officials available to backup each other, on an as needed basis.

C. **Responsibilities.** City and County shall provide appropriately certified personnel to perform, on behalf of the other party, building codes plan review and inspections required pursuant to the Oregon Residential Specialty Code, the Oregon Structural Specialty Code, and the Oregon Manufactured Dwelling and Parks Specialty Code. Specifically, City and County personnel will:

1. Examine and approve building plans to insure compliance with the One and Two Family Dwelling component of the Oregon Residential Specialty Code.
2. Perform scheduled inspections of structural work for which the city has issued building permits as required for compliance with the Oregon Residential Specialty Code, the Oregon Manufactured Dwelling and Parks Specialty Code, and the Oregon Structural Specialty Code.
3. Compile reports of plan review and inspection activities and provide such reports to the respective party for their records in a timely manner.
4. Conduct plan reviews and inspections provided on behalf of the other party in accordance with a schedule agreed upon by the City Community Development Director and the County Planning and Development Director, but in no event shall a Building Official be made available to a party so requesting to do inspections on fewer than three days in each five day work week.

D. **Notice.** City and County agree to provide 30 day advance notice of the anticipated need for backup services, if such notice can be practicably given.

E. **Payment for Services.** Payment of services set forth in (C) above shall consist of payment for work performed at the rate of \$60.00 per hour. Parties agree to provide said payment within (30) days of receipt of an invoice for the work performed.

F. **Insurance.** City and County shall maintain liability insurance in coverage and limits not less than the maximum tort limits set forth by ORS 30.270 during the term of this contract. Said insurance will apply to all professional activities related to this agreement.

G. **Inspection and Copies of Records.** The City and County shall make available, without charge, records related to the provision of services under this agreement.

H. **Indemnification.**

1. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, City shall save, hold harmless, indemnify, and defend County, its officers, agents, and employees from all claims, suits or actions of whatsoever nature resulting from or arising out of the activities of City, or its officers, agents and employees pursuant to this Agreement.
2. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall save, hold harmless, indemnify, and defend City, its officers, agents and employees from all claims, suits or actions of whatsoever nature resulting from or arising out of the activities of County or its officers, agents and employees pursuant to this Agreement.

I. Term.

1. This agreement shall remain in effect until such time as it is terminated pursuant to paragraph I.2. below, or until such time as it is superseded by subsequent agreement.
2. This agreement may be terminated at any time by mutual agreement of the parties or by written notice of one of the parties provided to the other party at least 30 days prior to the date upon which termination is desired.

J. Amendments. This agreement may be amended by mutual agreement of the parties.

K. Integration. This agreement contains the entire agreement between City and the County and supersedes all prior written or oral agreements.

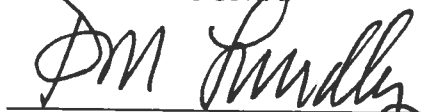
IN WITNESS WHEREOF, the parties, by the duly authorized signatures below, hereby agree to be bound by the provisions of this agreement.

CITY OF NEWPORT


James Voetberg, City Manager

8/4/09
Date

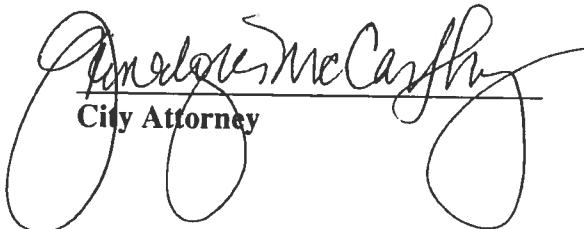
LINCOLN COUNTY


Chair, Board of Commissioners

8/19/09
Date

Approved as to form:


County Counsel


City Attorney

**CITY OF NEWPORT, OREGON
PERSONAL SERVICES CONTRACT
BUILDING PLAN REVIEW AND INSPECTION SERVICES**

THIS AGREEMENT is between the City of Newport, an Oregon municipal corporation (City), and Clair Company, Inc. (Contractor). This agreement shall be effective when signed by both parties.

RECITALS

- A. Contractor has the training, ability, knowledge, and experience to provide services desired by the City.
- B. City selected Contractor to provide services pursuant to a request for quotes, consistent with its public contracting rules.

TERMS OF AGREEMENT

1. SERVICES TO BE PROVIDED

Contractor shall begin services on April 6, 2015. Payment shall not be made for any other services without the written agreement by the City.

Contractor shall provide the services described in Contractor's response to City's request for quotes (Exhibit A to this agreement). Contractor may have contact with the public in the course of performing this contract and shall maintain good relations with the public. Failure to maintain good relations with the public shall constitute a breach of the contract. The City may treat the failure to maintain good relations as a non-curable breach allowing the City to terminate the contract and to disqualify Contractor from future work for the City.

2. TERM

This shall expire, unless otherwise terminated or extended, on April 6, 2020.

3. COMPENSATION

Contractor shall be compensated as described in Exhibit A to this agreement up to a maximum of \$50,000 per calendar year.

4. ASSIGNMENT/DELEGATION

Neither party shall assign or transfer any interest in or duty under this Agreement without the written consent of the other.

5. STATUS OF CONTRACTOR AS INDEPENDENT CONTRACTOR

Contractor certifies that:

- A. Contractor acknowledges that Contractor is an independent contractor as defined by ORS 670.700 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of this Agreement, to the full extent of any benefits or other remuneration Contractor receives (from City or third party) as a result of the finding and to the full extent of any payments that City is required to make (to Contractor or to a third party) as a result of the finding. Contractor is not an officer, employee or agent of the City as those terms are used in ORS 30.265.
- B. Contractor represents that no employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Contractor, either directly or indirectly, in connection this Agreement, except as specifically declared in writing.
- C. Contractor certifies that Contractor currently has a City business license or will obtain one prior to delivering services under this Agreement.
- D. Contractor is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

6. INDEMNIFICATION

City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws. Acceptance of contractor's work by City shall not operate as a waiver or release. Contractor agrees to indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney's fees and witness costs and (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this contract, except to the extent that the liability arises out of the negligence of the

City and its employees. Contractor's indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this indemnification.

7. INSURANCE

Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this contract. The insurance shall cover all activities of the contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverages:

A. Commercial General Liability Insurance

Contractor shall obtain, at contractor's expense, and keep in effect during the term of this contract, Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form (1996 ISO or equivalent). This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Aggregate	1,000,000
Products-Completed Operations Aggregate	1,000,000
Personal & Advertising Injury	1,000,000
Each Occurrence	1,000,000
Errors and Omissions (or equivalent) Aggregate	500,000
Each Occurrence	500,000
Fire Damage (Any one fire)	50,000
Medical Expense (Any one person)	5,000

B. Commercial Automobile Insurance

Contractor shall also obtain, at contractor's expense, and keep in effect during the term of the contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,000,000.

C. Workers' Compensation Insurance

The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract that are either subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon

law for all their subject workers or employers that are exempt under ORS 656.126. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

D. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City as an additional insured with respect to this contract.

E. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days notice of cancellation to the City

F. Certificates of Insurance

As evidence of the insurance coverage required by the contract, the Contractor shall furnish a Certificate of Insurance to the City. No contract shall be effected until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this contract. A renewal certificate will be sent to the above address 10 days prior to coverage expiration.

G. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

H. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in all general liability, professional liability, pollution, and errors and omissions policies required by this contract.

The procuring of required insurance shall not be construed to limit contractor's liability under this agreement. Notwithstanding said insurance, Contractor shall

be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

8. METHOD & PLACE OF SUBMITTING NOTICE, BILLS AND PAYMENTS

All notices, bills and payments shall be made in writing and may be given by personal delivery or mail. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices and other information:

City:

City of Newport
Attn: Community Development Director
169 SW Coast Highway
Newport, Oregon 97365
Business Phone: 541-574-0604

Contractor:

Clair Company, Inc.
Attn: Code Consulting Services Manager
525 NW Second Street
Corvallis, Oregon 97330

Notices mailed to the address provided for notice in this section shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery.

9. MERGER

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

10. TERMINATION WITHOUT CAUSE

At any time and without cause, City shall have the right in its sole discretion, to terminate this Agreement by giving notice to Contractor. If City terminates the contract pursuant to this paragraph, it shall pay Contractor for services rendered to the date of termination.

11. TERMINATION WITH CAUSE

A. City may terminate this Agreement effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:

1. If City funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified to accommodate a reduction in funds.
2. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
3. If any license or certificate required by law or regulation to be held by Contractor, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
4. If Contractor becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Contractor, if a receiver or trustee is appointed for Contractor, or if there is an assignment for the benefit of creditors of Contractor.

Any such termination of this agreement under paragraph (a) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

B. City, by written notice of default (including breach of contract) to Contractor, may terminate the whole or any part of this Agreement:

1. If Contractor fails to provide services called for by this agreement within the time specified herein or any extension thereof, or
2. If Contractor fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such failures within ten (10) days or such other period as City may authorize.
3. If Contractor fails to eliminate a conflict as described in Section 11 of this agreement.

The rights and remedies of City provided in the above clause related to defaults (including breach of contract) by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If City terminates this Agreement under paragraph (b), Contractor shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Contractor bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by City due to breach of contract by Contractor. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

12. ACCESS TO RECORDS

City shall have access to books, documents, papers and records of Contractor as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

13. FORCE MAJEURE

Neither City nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disenabled, including but not restricted to, an act of nature or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disenabled shall within 10 days from the beginning of the delay, notify the other party in writing of the cause of delay and its probable extent. The notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate the cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under the Agreement.

14. NON-WAIVER

The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

15. NON-DISCRIMINATION

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.

16. ERRORS

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delay and without additional cost.

17. EXTRA WORK

The Community Development Director may authorize additional work not described in Exhibit A, in writing, if such work is necessary to comply with Building Codes adopted by the City of Newport. Failure of Contractor to secure written authorization for work not described in Exhibit A shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.

18. ATTORNEY'S FEES

In case suit or action is instituted to enforce the provisions of this contract, the parties agree that the losing party shall pay such sum as the court may adjudge reasonable attorney fees and court costs, including attorney's fees and court costs on appeal.

19. GOVERNING LAW

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

20. COMPLIANCE WITH STATE AND FEDERAL LAWS/RULES

Contractor shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, the requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding contained in ORS Chapter 279B, the provisions of which are hereby made a part of this agreement. (See Exhibit B.)

CITY OF NEWPORT

By: Spencer Nebel, City Manager

03-30-15
Date

CONTRACTOR

By: Allan Clair, President, Clair Company, Inc.

4-6-15
Date

**EXHIBIT A****PERSONAL SERVICES CONTRACT
BUILDING PLAN REVIEW AND
INSPECTION SERVICES**

March 13, 2015

City of Newport
169 SW Coat Highway
Newport, OR 97365

Attention: Derrick I. Tokos, AICP, Community Development Director

Subject: Proposal: Plan Review and Inspection Support, City of Newport

Clair Company, Inc (Clair) is pleased to provide the following proposal to provide Plan Review and Inspection Support Services to the City of Newport (City). We have included information based on our understanding of the scope of work requested by the City.

Clair is an experienced, successful third-party plan review and inspection, code consulting, and special inspection and materials testing firm, and are confident that we can provide the needed support to assist the City with plan review and inspection needs. We currently provide plan review and inspection services to several other jurisdictions in Washington, Oregon and New York states. We provide services with in-house staff and pride ourselves in having a reputation for exemplary work, use of good judgment, high integrity, and complete reliability. We have included a copy of our general statement of qualifications for your reference.

Based on our conversations, and your email from March 9, 2015, we would like to offer our support to the City of Newberg for the following services in order to supplement the capabilities of your Building Official, Joseph Lease.

- Fire and Life Safety Plan Reviews
- Electrical and Plumbing Plan Reviews
- Electrical inspections for services that require qualifications that exceed that of a Specialized Electrical Inspector
- Plumbing inspections for services that require qualifications that exceed that of a Specialized Plumbing Inspector

Itemized List of Charges

Clair can provide these support services and understand that the City prefers an hourly rate basis for both plan review and inspection services. We are open to further discussion on the level of service and suggested fee rates quoted in this proposal, depending on the specific needs of the City. We understand that these support services will be on a limited basis, typically up to a dozen projects of this type in any given year. Below are our suggested rates for the requested support services as well as services that the City may find a need for on specific projects.

Description	Hourly Rate
Building Official / Project Manager	\$78.00
Plans Examiner (Bldg/FLS, Mech, Plumb, Elect)	\$68.00
Fire Code / HazMat Tech Support	\$75.00
Licensed Engineer / Structural Plans Examiner	\$90.00
A-Level Inspector (Bldg/FLS, Mech, Plumb, Elect)	\$68.00
Project Administration / Controllor / Document Control	\$45.00
Mileage, at Federal Rate	\$0.575
Overtime (before 7am, after 5pm, weekends, holidays)	1.5 x base



Clair charges for time and materials associated with plan reviews beyond first back check, review of construction document revisions, and deferred submittals. Typically, these fees will be billed to the City as a pass through cost to the applicant to be paid to the City at time of document pickup for payment to Clair. Inspection fees will be charged portal to portal from our office in Corvallis.

All other miscellaneous charges, including postage, will be absorbed within the hourly rates or lump sum.

Project Coordination (Plan Review)

Plan review support can be provided on an as needed basis, and is easily coordinated. The City can simply call our office with notification that plans are being shipped for review (or emailed, if available electronically). Typical turnaround time for reviews is 7 days for residential reviews, and 14 days for commercial reviews. We can work with the City for faster turnaround times for projects with special needs and schedules.

Project Coordination (Inspections)

Inspection support can be provided on an as needed basis. We suggest at least 24-hour notice in order to coordinate inspection needs with our existing workload and inspector availability. The more advance notice we have, the more capable we are to accommodate the inspection needs. Clair inspection staff can be available most weekdays, depending on request timing and staff availability. Inspections can be requested by calling our office.

As requested, we are enclosing resumes for staff that could provide services on behalf of the City. Should you have questions regarding any of our staff's qualifications, certifications, experience, etc. please do not hesitate to contact me.

If you have any questions, or need clarification regarding the information we have provided, please do not hesitate to contact our office at 800-383-8855 or by email at dflemings@claircompany.com. Additional information can be provided upon request. We look forward to discussing the details of the requested scope and to the opportunity to work with you and your team.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'David Flemings'.

David Flemings
Code Consulting Services Manager

Enclosure: Clair Statement of Qualifications
Staff Resumes

EXHIBIT B

PERSONAL SERVICES CONTRACT BUILDING PLAN REVIEW AND INSPECTION SERVICES

RELEVANT PROVISIONS OF ORS CHAPTER 279B

279B.220 Conditions concerning payment, contributions, liens, withholding. Every public contract shall contain a condition that the contractor shall:

1. Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract.
2. Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract.
3. Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.
4. Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.

279B.230 Condition concerning payment for medical care and providing workers' compensation.

1. Every public contract shall contain a condition that the contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.
2. Every public contract shall contain a clause or condition that all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. [2003 c.794 §76c]

279B.235 Condition concerning hours of labor.

1. An employer must give notice in writing to employees who work on a public contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

2. In the case of contracts for personal services as described in ORS 279A.055, the contract shall contain a provision that the employee shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under personal services contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.
3. (a) Except as provided in subsection (4) of this section, contracts for services must contain a provision that requires that persons employed under the contracts shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020 (1)(b)(B) to (G) and for all time worked in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater.

(b) An employer shall give notice in writing to employees who work on a contract for services, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.B.
Meeting Date: 5-16-16

Agenda Item:

Consideration and Possible Adoption of Resolution No. 3745, a Resolution Calling for an Election on the Referral of Ordinance No. 2097, Marijuana Taxation

Background:

Contingent upon action on the ordinance imposing a 3% tax on the sale of recreational marijuana, the City Council would need to enact a resolution calling for an election for the purpose of submitting the question to the voters as to whether Newport should impose a 3% tax on the sale of marijuana items by marijuana retailers. If this resolution is approved, it would place this language on the November 8, 2016, ballot, and it would be considered by the voters. If approved by the voters, the City would be authorized to begin collecting taxes from sales on January 1, 2017.

Recommendation:

I recommend that the City Council consider the following motion:

I move adoption of Resolution No. 3745, a resolution calling for an election to refer to the voters of the City of Newport, Oregon, a measure that would impose a 3% tax on the sale of marijuana items by a marijuana retailer.

Fiscal Effects:

The total revenues that this will generate are unknown at this particular point and time. Please note that in addition to the local tax, the City of Newport will receive shared tax revenues collected by the State of Oregon in accordance with the formula enacted by the legislature. At this point, we do not know how much revenue that will generate for the City either.

Alternatives:

Do not act on this resolution at this time, or as suggested by the City Council.

Respectfully Submitted,

Spencer R. Nebel, City Manager

CITY OF NEWPORT

RESOLUTION NO. 3745

**A RESOLUTION CALLING FOR AN ELECTION
TO REFER TO THE VOTERS OF THE CITY OF NEWPORT, OREGON,
A MEASURE THAT WOULD IMPOSE A THREE PERCENT TAX
ON THE SALE OF MARIJUANA ITEMS BY A MARIJUANA RETAILER**

Finding

On June 6, 2016, the City Council adopted Ordinance No. 2097 imposing a three percent tax on the sale of marijuana items by marijuana retailers in the City of Newport, and referring Ordinance No. 2097 to the electors of the City of Newport at the election of November 8, 2016.

Based upon this finding:

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. An election is called in and for the City of Newport for the purpose of submitting to the legal voters of the city the ballot title, Attachment A, with the following question:

Shall the City of Newport impose a three percent tax on the sale of marijuana items by a marijuana retailer?

Section 2. The explanatory statement for this ballot measure is included as Attachment B.

Section 3. Tuesday, November 8, 2016, is designated as the date for holding the election on the question stated in Section 1 above.

Section 4. The election will be conducted by the Lincoln County Clerk's Office.

Section 5. The precincts for the election shall include all territory within the corporate limits of the City of Newport and no other territory.

Section 6. If the ballot measure is approved by the voters of the City of Newport, the Newport Municipal Code shall be amended as provided in Attachment C.

Adopted by the Newport City Council on June 20, 2016.

CITY OF NEWPORT

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:

Steven E. Rich, City Attorney

**ATTACHMENT A
TO
CITY OF NEWPORT RESOLUTION NO. 3745**

BALLOT TITLE

CAPTION

Imposition of a tax on retail marijuana items

QUESTION

Shall the City of Newport impose a three percent tax on the sale of marijuana items by a marijuana retailer?

SUMMARY

Under state law, a city council may adopt an ordinance to be referred to the voters of the city imposing up to a three percent tax or fee on the sale of marijuana items in the city by a licensed marijuana retailer. The Newport City Council adopted Ordinance No. 2097, on June 6, 2016, which imposes a three percent tax on the sale of marijuana items by a marijuana retailer and referring the ordinance to the voters at the General Election to be held on November 8, 2016.

Approval of this measure would impose a three percent tax on the sale of marijuana items in the city by a licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

**ATTACHMENT B
TO
CITY OF NEWPORT RESOLUTION NO. 3745**

EXPLANATORY STATEMENT

Under Measure 91, adopted by Oregon voters in November 2014 and amended by the Legislature in 2015, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. The 2015 Legislation provides that a city council may adopt an ordinance imposing up to a three percent tax on the sale of marijuana items (which include marijuana concentrates, extracts, edibles, and other products intended for human consumption and use) by retail licensees in the city, but the council must refer that ordinance to the voters at a statewide general election. The City of Newport City Council has adopted Ordinance No. 2097 imposing a three percent tax on the sale of marijuana items by a retail licensee in the city, and, as a result, has referred this measure to the voters.

Approval of this measure would impose a three percent tax on the sale of marijuana items by a marijuana retailer within the city. There are no restrictions on how the city may use the revenues generated by this tax. However, this tax will only be imposed if this measure passes at the November 8, 2016 General Election.

**ATTACHMENT C
TO
CITY OF NEWPORT RESOLUTION NO. 3745**

If the ballot measure is approved by the voters of the City of Newport, the Newport Municipal Code shall be amended as follows:

**3.15 IMPOSING A THREE PERCENT TAX ON THE SALE OF MARIJUANA ITEMS
BY A MARIJUANA RETAILER**

A. DEFINITIONS

1. Marijuana item has the meaning given that term in Oregon Laws 2015, chapter 614, section 1.
2. Marijuana retailer means a person who sells marijuana items to a consumer in this state.
3. Retail sale price means the price paid for a marijuana item, excluding tax, to a marijuana retailer by or on behalf of a consumer of the marijuana item.

B. TAX IMPOSED

As described in section 34a of House Bill 3400 (2015), the City of Newport hereby imposes a tax of three percent on the retail sale price of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city.

C. COLLECTION

The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs and remitted by each marijuana retailer that engages in the retail sale of marijuana items.

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.C.
Meeting Date: 5-16-16

Agenda Item:

Consideration and Possible Adoption of Resolution No. 3750 - A Resolution Amending the City of Newport Council Rules

Background:

As was indicated in an early work session the Council Rules are proposed to be amended with a new section - "5.9 Use of City Owned/Issued Electronic Devices by Councilors". This section governs the appropriate use of city issued computers or IPADs to Council members as has been previously reviewed by the Council.

In addition, we have taken this opportunity to clean-up several other areas of the City of Newport Council Rules including "5.3 Communications with Staff". Language has been added to discuss the communication between City Attorney and individual Councilors. With this addition to the rules of order, Resolution No. 3719 can now be rescinded. In addition, the City Attorney has been added to the list of staff that the Council can deal with questions of a more complex nature.

Other changes proposed in the rules include several editorial comments for clarity purposes. "1.6 Organizational Meeting" purpose to include a specific reference that the Council liaisons to task forces, committee, boards or appointments to various committee shall be for a two-year period until the next organizational meeting unless otherwise specifically provided. We have also added a section on the election of Council President during non-organizational meeting years which states that the election shall be held at the first regular meeting of the City Council in years were no organizational meeting is held (if you remember we had a little confusion about calling it an organizational meeting this year!). Section 4.3 proposes to establish a two-year term for liaisons to boards, commissions, committees with provision that changes can be made during the course of the two-year period by making a request to the Mayor with the Mayor's decision being confirmed by the City Council. In section 5.6 there is a new section that has been added to clarify that all email relating to city business must be retained by each Councilor or copied to the City Recorder who will retain that record. This has been put in place since the emails coming to a city email address are not cataloged and logged if they are deleted.

Finally, City Recorder Peggy Hawker has numbered and reorganized the previous rules in a more logical sequence so that like items are in close proximity to each other. The former rules were arranged in a more alphabetical manner. All changes to the rules are highlighted in yellow.

Recommendation:

I recommend that the City Council consider the following motion:

I move adoption of Resolution No. 3750 a resolution amending the City of Newport Council Rules.

Fiscal Effects:

None by this action.

Alternatives:

Council can make other modification to the rules, change the recommended modifications to the rules, or make other changes prior to adopting the resolution.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel", is positioned above the printed name.

Spencer R. Nebel, City Manager

CITY OF NEWPORT

RESOLUTION NO. 3750

**A RESOLUTION ADOPTING COUNCIL RULES
AND REPEALING RESOLUTION NO. 3624 RELATED TO
COMMUNICATION WITH THE CITY ATTORNEY**

FINDINGS:

- A. The City Charter provides that the Council may, by resolution, adopt rules to govern its meetings and those of other city entities.
- B. The City Council adopted Council Rules at its meeting of December 17, 2007 (effective January 1, 2008); and revised the Council Rules on July 18, 2011; April 15, 2013; June 16, 2014; and January 20, 2015, and wishes to make further revisions by adoption of this resolution.
- C. The Council finds that the Council Rules attached as Exhibit A to this Resolution provide appropriate guidelines for Council members and appropriate rules for Council meetings, organizational meetings of the City Council, meetings of the Local Contract Review Board, and regular and organizational meetings of the Urban Renewal Agency, and the City Council wishes to formally adopt these revised rules as the official Council Rules pursuant to Chapter III, Section 10. of the City Charter.

Based on these findings,

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

- Section 1. The City Council adopts the “City of Newport Council Rules Effective May 16, 2016,” attached as Exhibit A to this Resolution, as its official Council Rules. All previous versions of the Council Rules are repealed in their entirety on the adoption of this resolution.

Adopted on May 16, 2016.

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

City of Newport

COUNCIL RULES

Initially Adopted December 17, 2007 (Effective January 1, 2008)

Revised July 18, 2011

Amended April 15, 2013

Amended July 7, 2014

Amended January 20, 2015

Amended May 16, 2016

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PREFACE

These rules are authorized by the City Charter. The Council shall review these rules periodically. Amendments shall be adopted by a majority of the entire Council by resolution. The Council Rules are not intended to replace or supersede any applicable federal or state laws or regulations, city ordinances or policies, or provisions of the City Charter.

If an interpretation of Council Rules is necessary, the interpretation will be provided by the City Council by a majority vote of the entire Council and in consultation with city staff.

ARTICLE 1 TYPES OF MEETINGS

The Council may hold regular, special or emergency meetings. A regular meeting is one held on the Council's normal meeting schedule. A special meeting is one held at a time other than a regularly scheduled meeting time, but with at least 24 hours' notice. An emergency meeting is one held on less than 24 hours' notice. All Council meetings and sessions shall be noticed and held in compliance with Oregon public meeting law.

All Council meetings and sessions shall be open to the public, except executive sessions. The Council may, by motion, go into executive session at any regular, special or emergency meeting.

1.1 Regular Meetings

The Council will meet regularly on the first and third Mondays of each month in the Council Chambers. If a regularly scheduled Council meeting time is on a city holiday, the meeting will be held on the first day that is not a city holiday. In addition, the Council may hold a work session on the day of each regular Council meeting. The Council may from time to time hold additional work sessions.

1.2 Special Meetings

A. Special meetings are called by:

- The Mayor, or in the Mayor's absence, the President of the Council, at their discretion
- The Council at the request of two or more members of the Council, or
- The City Manager

B. Written notice of a special meeting shall be directed to each member of the Council at least 24 hours in advance of the meeting. The notice shall be served on each member personally, telephonically, or electronically, or if the Council Member is not found, left at his or her place of residence or business.

1.3 *Emergency Meetings*

An emergency meeting may be called by the City Manager, the Mayor, or two Councilors, consistent with state law. The minutes of the emergency meeting shall describe the emergency justifying less than 24 hours' notice. The city shall attempt to contact the media and other interested persons to inform them of the meeting.

1.4 *Work Sessions*

Work sessions will generally be utilized to present information to Council and to allow preliminary discussion on substantive issues in preparation for action at a future regular City Council meeting.

Work sessions will be scheduled on an as-needed basis at the discretion of the Mayor and City Manager. Work sessions dates and times will be dictated by the substance of the issue and the approximate amount of time that may be necessary for discussion.

Work sessions will normally be scheduled prior to regular City Council meetings when less than 45 minutes is planned for the work session; and at noon on Monday if more than 45 minutes is planned. Any Council member requesting future issues for discussion at a work session can place those subject ideas on the white board in the Council Office. The Mayor and City Manager will make a determination as to when the work session will be scheduled. Work sessions can be scheduled at other times during the week when deemed necessary.

1.5 *Executive Sessions*

An executive session (meeting closed to the public) may be held in accordance with state law. Care will be taken to ensure that proper and timely notice is made in accordance with statutory requirements. Executive sessions may be held during regular, special or emergency meetings, so long as appropriate statutory requirements are met.

- A. No final action or decision can be made during an executive session. When the Council reconvenes in open session, a final action or decision may be taken. Only the Council, City Manager, City Recorder, City Attorney, news media representatives and others invited by the Council or City Manager may attend an executive session.
- B. A major reason for allowing members of the news media to attend executive sessions is to ensure that the issues discussed are proper subjects under the state laws related to executive sessions and to keep the media informed concerning the background of deliberations so they have a better understanding of any decisions made as a result of the meeting. Members of the press shall be told that they may not report the substance of an executive session.

C. Minutes or a recording of executive sessions are required.

D. Information discussed during an executive session and other privileged communications should not be disclosed to persons other than Council Members, the City Manager, City Recorder or City Attorney outside the executive session. Disclosure of such information could lead to increased personal or City liability and/or public censure of the person who improperly disclosed the information.

1.6 Organizational Meeting

Chapter VII Elections, Section 30. Terms. provides; “The term of the Mayor and each Councilor elected at a general election begins at the first Council meeting of the year immediately after the election, and continues until the successor qualifies and assumes the office.”

At the organizational meeting **following the election**, the existing members of the City Council will be seated, roll call will be done by the City Recorder, and the Council will consider approving the minutes from the last City Council meeting. Members who will not be returning to the Council will be recognized. This will be followed by a motion to adjourn the meeting. At this point, any existing members of the City Council present at the meeting who will not be serving on the new City Council will vacate their chairs.

A. **Oath of Office and Seating Arrangement on the Dais.** Chapter VII, Section 31. Oath provides; “The Mayor and each Councilor must swear or affirm to faithfully perform the duties of the office and support the constitutions and laws of the United States and Oregon and the Charter and Ordinances of the City.”

The process leading to the oath of office will include the seating of the new City Council. The existing members of the Council can elect to move to any vacant seat that is provided for the six City Council members. This is done in order of seniority of the existing members. For Councilors who have served the same number of years on the Council, seniority is determined by the candidate who received the highest number of votes during their first election to the City Council followed by any Councilor’s appointed to serve on the Council. Furthermore, seniority is determined by continuous service on the City Council. For Councilors who had a gap of service on the Council, seniority starts with the time following this gap for these specific purposes. Once the existing members have made their decisions as to the selection of a Council member seat location, the City Recorder will administer the oath of office to the Mayor, any re-elected members of the City Council by seniority, and then the newly elected members of the City Council in order of popular vote from the November election. After the new Council member is called forward by the City Recorder, they will take the oath of office at the podium and then select one of the vacant City Council seats in order of popular vote.

The City Recorder will call the roll of the newly-seated City Council.

- B. **Election of the Council President.** Chapter III, Section 9, Council President provides; “At its first meeting each year, the Council shall elect a president from its membership. The President presides in the absence of the Mayor and acts as Mayor when the Mayor is unable to perform duties.”

The term of the Council President is for one year and the intent is for this position to rotate on an annual basis to different members of the Council.

The Mayor will ask each member for a nomination of Council members to serve as Council President. The Mayor is allowed to nominate a member to serve in this capacity as well. Once nominations are closed, the City Recorder will distribute ballots and the Council members will write a name of a nominated Council member and sign their own name on the written ballot. The City Recorder will count the ballots and the member of the Council receiving the most votes will become the Council President for that year. The City Recorder will include the individual votes of each Councilor for Council President in the minutes of the organizational meeting.

- C. **Establishing a Two-Year Meeting Schedule.** The City Council will confirm the dates and times for regular City Council meetings through the next organizational meeting following the next regular City election. The current rules of order provide that the Council will meet on the first and third Mondays. Traditionally, these meetings are held at 6:00 P.M.

- D. **Appointment of Councilors as Liaisons to Task Forces, Committees, or Boards and Appointments to Internal Committees as Voting Members, and Serving as a Voting Member of an Outside Group.** The Mayor will develop a list designating which members will serve as non-voting liaisons to various committees. Councilors who are interested in serving on any board or commission as a liaison shall contact the Mayor one week prior to the meeting to express their interest. A listing of current liaisons will be provided prior to that time. The Council will consider confirmation of these appointments. The Council Rules outline the responsibility of Council liaisons to various boards and committees.

The Mayor will also develop a list for appointments to internal committees, task forces, and working groups for confirmation by the City Council in accordance with the procedures for appointing liaisons to committees.

The appointments of Council members to serve on outside boards and committees representing the city shall be done by motion and vote of the Council. Any Councilors expressing an interest in serving as a city appointee will contact the Mayor at least one week prior to the organizational meeting. The Mayor will forward all names who have expressed an interest in serving as a voting member of that outside board or committee for full Council consideration.

Unless otherwise provided, these appointments will be for a two-year period until the next organizational meeting.

- E. **Agenda Packet for the Organizational Meeting**. An agenda packet for the organizational meeting will be prepared by 4:00 P.M. on the Thursday prior to the meeting of the year following the election. A copy will be available in the Council mail boxes in the Council office and electronically forwarded to each member of the Council.

1.7 Election of Council President During Non-Organizational Meeting Years

The Council President shall be elected for a one-year term in accordance with the City Charter and 1.6B of these Rules. The Council President shall be elected at the first regular meeting of the City Council in years in which no organizational meeting is required.

ARTICLE 2 *MEETING PROCEDURE*

2.1 *Meeting Procedure*

The presiding officer shall make all initial procedural decisions. The Council by majority vote may overrule the procedural ruling of the presiding officer. The City Attorney, if requested, shall act as the Council's parliamentarian, but will have no vote.

2.2 *Presiding Officer*

The Mayor shall be the presiding officer and conduct all meetings, preserve order, enforce the rules of the Council and determine the order and length of discussion on any matter before the Council, subject to these rules. The Council President shall preside in the absence of the Mayor. The Mayor may ask the Council President to preside over all or part of a meeting at any time to provide the Council President with experience in presiding over Council meetings. The presiding officer shall not be deprived of any of the rights and privileges of a Council member. In case of the absence of the Mayor and the Council President, the City Manager shall call the meeting to order and the Council shall elect a chairperson for the meeting by majority vote.

2.3 *Quorum*

The quorum requirement for the conduct of Council business is four Council Members.

2.4 *Notice Requirements of all Meetings*

All notice requirements of state law shall be satisfied before any Council meeting can be conducted.

Council Members shall keep the City Manager informed of their current telephone numbers.

Because of the possibility of special and emergency meetings, Council Members should normally advise the City Manager if they will be absent from the city for more than 24 hours. Advising the City Manager of absences is particularly important if the Council member will be in a location or involved in an activity that limits electronic communication.

2.5 *Order of Business*

The City Manager shall arrange the order of business to achieve an orderly and efficient meeting. The order of business will be as follows:

- I. Roll Call

- II. Proclamations, Recognitions, and Special Presentations
- III. Public Comment (three minutes per person) on non-agenda items
- IV. Consent Calendar (confirmation of Mayoral appointments, approval of minutes, renewal of leases, routine issues, etc.)
- V. Public Hearings/Special Orders of Business
- VI. Communications (agenda items requested by Council Members, City Attorney, boards, commissions, task forces, committees, community groups, or individuals with a ten minute time limit for presentation)
- VII. City Manager's Report (includes all items from the City Manager, department heads, and other staff requiring City Council action, and informational items.)
- VIII. City Council acting as the Local Contract Review Board
- IX. Public Comment (three minutes per speaker)
- X. Mayor and Councilor reports and comments
- XI. Adjournment

2.6 Agenda

- A. Deadlines. In order to provide the members of the City Council with sufficient time to become acquainted with the business that may come before the City Council, it shall be the responsibility of the City Manager to provide a written agenda packet for all regular City Council meetings. All items to be placed on the City Council agenda shall be provided to the City Manager's office by 5:00 P.M., on the Tuesday prior to the Council meeting. The City Manager's office will compile the agenda packet which will be available via electronic submission by 4:00 P.M. on the Thursday prior to the City Council meeting, and will be available in print form by the Friday before the Council meeting, at 8:00 A.M., at City Hall.
- B. Agenda Items. Members of the City Council, the City Attorney, boards and committees of the city, or any citizen, may request that items be placed on the agenda and it shall be the City Manager's duty to place the requested items on the agenda. Any person requesting that an item be placed on the agenda shall be given the privilege of introducing this item when it is considered by the City Council. The City Manager shall place any items originating from city departments or city administration under the City Manager's report for City Council consideration.

- C. Addition of Agenda Items. No item of business not listed on the agenda shall be considered by the Council, except with an affirmative vote of 75 percent of those voting when a quorum of the City Council is present.
- D. A Council Member who wishes staff to undertake major research or drafting to prepare an action item shall raise the issue at a Council meeting, and the City Manager shall take direction from the Council as a whole. Direction to proceed with an item does not commit the Council or any individual Council Member to supporting an action when it comes before Council for a final decision.
- E. The agenda shall be in any form chosen by the City Manager, subject to direction by the Council.

2.7 Consent Calendar

In order to make more efficient use of meeting time, the City Manager shall place all items of a routine nature on the consent calendar. This should include such things as lease renewals, minutes, confirmation of appointments to committees and commissions, and the scheduling of future meetings and other issues that are not anticipated to be controversial. All of the items on the consent calendar can be approved by one vote of the City Council. Before the vote is taken on the items listed in the consent calendar portion of the agenda, any Council Member can request that such an item be removed from the consent calendar and acted upon by separate motion and vote of the Council. Any matter removed from the consent calendar can be considered immediately after the balance of the consent calendar is approved.

2.8 Exhibits

Exhibits presented before the Council in connection with its deliberations on a legislative, quasi-judicial or other substantive matter shall be accepted by the Council and made part of the record. The exhibit or a copy thereof shall be provided to the meeting recorder.

2.9 Minutes

Minutes shall be prepared with sufficient detail to meet their intended uses. Verbatim minutes are not required.

A. Council meeting minutes shall contain:

1. Date and time of call to order and the date and time of any adjournment.
2. The name of Council Members and staff present.
3. All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition.

4. The result of any votes, including ayes and nays and the names of the Council Members who voted.
 5. The substance of the discussion on any matter.
 6. Reference to any document discussed at the meeting.
- B. The Council may amend the minutes to more accurately reflect what transpired at a meeting. Upon receipt of the minutes in the Council agenda packet, the Council Members should **review** them and if possible submit any changes, additions or corrections to the City Recorder in order that a corrected copy can be prepared prior to the meeting for approval. Under no circumstances shall the minutes be changed following approval by the Council, unless the Council authorizes the change by majority vote.

2.10 Ordinances and Resolutions

All ordinances and resolutions shall be prepared under the supervision of the City Manager or City Attorney. Any ordinance or resolution not prepared by the City Attorney shall, upon request, be reviewed and approved as to form by the City Attorney. Ordinances and resolutions may be introduced by a member of the Council, the City Manager, the City Attorney, or any department head.

- A. Unless the motion for adoption provides otherwise, resolutions shall be adopted by reference to the title or number of the resolution and shall be effective upon adoption. A roll-call vote is not required for resolutions unless it is unclear whether a majority favor the resolution.
- B. Ordinances shall be adopted as provided by the City Charter. Failure to comply with post-adoption signature requirements shall not invalidate an ordinance.
- C. Ordinances shall be effective on the thirtieth day after adoption, unless the ordinance provides that it will become effective at a later time. An emergency ordinance which includes a provision that the ordinance is necessary for immediate preservation of the public peace, property, health, or safety may provide that it will become effective upon adoption or other time less than 30 days after adoption.
- D. Ordinances shall be adopted by roll-call vote

2.11 Motions

When a motion is made, it shall be clearly and concisely stated by its mover. Council Members are encouraged to exercise their ability to make motions and to do so prior to debate in order to focus discussion on an issue and speed the Council's proceedings. The presiding officer will state the name of the Council Member who made the motion

and the name of the Council Member who made the second. When the Council concurs or agrees to an item that does not require a formal motion, the presiding officer will summarize the agreement at the conclusion of discussion. The following rules shall apply to motions during proceedings of the Council:

- A. A motion may be withdrawn by the mover at any time without the consent of the Council.
- B. If a motion does not receive a second, it dies.
- C. A motion that receives a tie vote fails.
- D. A call for the question is intended to close the debate on the main motion and does not require a second and is not debatable. A call for the question fails without a majority vote. Debate on the main subject resumes if the motion fails.
- E. A motion to amend can be made to a motion that is on the floor and has been seconded. An amendment is made by inserting or adding, striking out, striking out and inserting, or substituting.
- F. A motion to adjourn cannot be amended.
- G. A motion to amend an amendment is allowed.
- H. Amendments are voted on first, then the main motion as amended.
- I. Council will discuss a motion only after the motion has been moved and seconded. Nothing in this section prevents general discussion or expression of opinions before a motion is made.
- J. The motion maker, presiding officer, meeting recorder, City Manager, or City Attorney should repeat the motion and/or the amendment prior to voting.
- K. A point of order, after being addressed by the presiding officer, may be appealed to the body.

2.12 Voting

Every Council Member who may legally vote on a motion shall vote on a motion unless a majority of the Council present, for special reason, allows the Council Member to abstain. The Council Member must declare the intent to abstain prior to the vote and explain the reason for the abstention.

- A. No Council Member shall be permitted to vote on any subject in which he or she has an actual conflict of interest, unless allowed by state law, or is otherwise disqualified from participation.

- B. The concurrence of a majority of the Council Members voting when a quorum is present at a Council meeting shall be necessary to decide any question before the Council.

2.13 *Reconsideration of Actions Taken*

A member who voted with the majority may move for a reconsideration of an action at the same or the next regular meeting. The second of a motion may be a member of the minority. Once a matter has been reconsidered, no motion for further reconsideration shall be made without unanimous consent of the Council. However, nothing in this section precludes a new motion on the same subject matter as a previous decision with the possibility of a different result.

2.14 *Suspension of Rules*

These rules may be suspended upon an affirmative vote of 75 percent of those voting when a quorum of the Council is present. Suspension of the rules should only occur in cases of extreme necessity. Notwithstanding the above, quorum and majority voting requirements shall not be suspended or waived.

2.15 *Adjournment, Continuance, and Breaks*

In order to give fair consideration to all matters, if a meeting is still in progress at 10:00 P.M., the Council may consider whether it should adjourn and continue unfinished agenda items to a future meeting. The decision whether to adjourn before the agenda has been completed should normally be made between agenda items, rather than in the middle of consideration of an item. If any hearings are postponed to a future meeting, the Council normally will give an opportunity to speak to anyone who wishes to participate in the hearing and is unable to attend the rescheduled hearing. Any member of the Council may request a short break at any time during a Council meeting.

2.16 *Decorum /Order*

All persons at Council meetings shall behave in a courteous, orderly, and respectful manner, considering the importance of Council meetings and the need to proceed with Council business. Except in case of injury, persons shall not rest their feet on chairs or tables, or stand on chairs or tables. The presiding officer has the authority to preserve order at all meetings of the Council, to cause the removal of any person from any meeting for disorderly conduct, and to enforce the Council Rules. The presiding officer may request the assistance of a sergeant-at-arms to restore order at any meeting.

A law enforcement officer of the city may be sergeant-at-arms of the Council meetings. The sergeant-at-arms shall carry out all orders and instructions given by the presiding officer for the purposes of maintaining order and decorum at the Council meeting.

- A. Any of the following shall be sufficient cause for the sergeant-at-arms to, at the direction of the presiding officer, or by a majority of the Council present, remove any person from the Council chamber for the duration of the meeting:
1. Use of unreasonably loud or disruptive language or noise.
 2. Engaging in violent or disruptive action, including any violence towards any person.
 3. Willful damage to city or private property.
 4. Refusal to obey these rules or other applicable regulations, including limitations on occupancy and seating capacity.
 5. Refusal to obey an order of the presiding officer or an order issued by a Councilor that has been approved by a majority of the Council present.
- B. Before the sergeant-at-arms is directed to remove any person from a Council meeting for conduct described in this section, that person may be given a warning by the presiding officer to cease his or her conduct. A warning is not required, but will generally be given to provide the person an opportunity to correct his or her behavior. If a meeting is disrupted by one or more members of the audience, the presiding officer or a majority of the Council present may declare a recess and/or order that the Council

2.17 Electronic Communication

All electronic communication shall be silenced during Council meetings.

2.18 Public Participation at Council Meetings

Opportunities for public comment are important for policy development. It should be noted, that City Council meetings are meetings of the public body held in public, not public forums. Except when a public hearing is expressly required by applicable law, members of the public do not have a right to speak on items on the Council agenda. Nevertheless, the Council will normally allow public comment on action items. Any member of the public can submit a completed public comment form to the City Recorder for each item they wish to address on the agenda. The general public is allowed three minutes. During any public comment or public hearing time, the public will be allowed to utilize their time to speak and share their comments with the City Council provided that the testimony is relative to the topic of the agenda item. During this time, public participants at City Council meetings shall be allowed to make appropriate comments

with the three-minute period of time that is allowed without interruption from the Council or staff. Please note that the public participants may ask questions, however, the questions will be answered after the public comment period is closed in order to allow the individual to utilize their full three minutes of time. Following the close of public comments or a public hearing, any questions raised or comments made will be addressed for all participants in the hearing. If City Council members and/or staff have questions for any of the public participants as a result of the testimony, that discussion will follow the close of the public comment period when the questions can be asked. This will assure fair participation by the public at City Council meetings and will eliminate any active debate or discussion between the public and Council during public hearings and/or public comment sections.

Each person addressing the Council shall submit a completed testimony form to the City Recorder. A separate form must be completed for each item desiring to be addressed.

- A. When called by the presiding officer, those wishing to address the Council shall come to the designated area and state their name. They shall limit their remarks to the time allocated by the presiding officer or Council. They should address all remarks to the Council as a body and not to any member thereof.
- B. No person shall be permitted to enter into any discussion, without the permission of the presiding officer. Questions from the public shall be asked of a Councilor or staff through the presiding officer.
- C. Any person making personal, offensive, or slanderous remarks, or who becomes threatening or personally abusive while addressing the Council may be requested to leave the meeting.
- D. Testimony shall be relevant to the topic of the agenda item and not redundant. The presiding officer may terminate redundant and/or irrelevant testimony. Pre-hearing testimony on quasi-judicial land use actions that may come before the Council will not be permitted.
- E. The intent of this section is not to stifle public debate, but to provide guidelines to allow meaningful and productive comment and debate.

2.19 Planning Commission Testimony

The Planning Commission was established in compliance with state statute to make recommendations to the City Council on general land use issues and to act as a hearing body for the city. For legislative land use matters before the Council, commissioners may testify as a commissioner, as a commission representative if so designated by the commission, or as a citizen.
chamber be cleared.

2.20 Public Hearings and Participation.

Except when a public hearing is expressly required by applicable law, members of the public do not have the right to speak on items on the Council agenda. Nevertheless, the Council will normally allow public comment on action items, but is not required to do so. The Council may limit public comment and may disallow further public comment.

Different public hearings have different standards. If applicable law provides for a public hearing but does not regulate the type of hearing, the Council will allow any person with a right to a hearing to present written and oral testimony and argument. The Council may limit the time of oral testimony and argument.

Some public hearing law provides a right to a hearing to certain persons, but not to others. The Council shall allow persons with a right to a hearing to speak, but may prohibit or limit participation by others.

2.21 Meeting Staffing

The City Manager will attend all Council meetings unless excused. The City Manager may make recommendations to the Council and shall have the right to take part in all Council discussions but shall have no vote. The City Attorney will attend all regular Council meetings, upon request, and shall have the right to take part in Council discussion, and will, upon request, give an opinion, either written or oral, on legal questions. The City Recorder or designee shall attend all Council meetings, keep the official minutes, and perform such other duties as may be needed for the orderly conduct of meetings. Department directors or other staff will attend Council meetings upon request of the City Manager or Council through the City Manager.

2.22 News Media

The Council recognizes the important role of the news media in informing the public about the decisions, activities and priorities of government. Workspace shall be reserved for members of the press at Council meetings so that they may observe and hear proceedings clearly. The terms “news media” “press” and “representative of the press” for the purpose of these rules are interchangeable and mean someone who:

- A. Represents an established channel of communication, such as a newspaper or magazine, radio or television station, or other electronic media; and either
- B. Regularly reports on the activities of government or the governing body; or
- C. Regularly reports on the particular topic to be discussed by the governing body in executive session.

2.23 Broadcasting Council Meetings

The Council wishes to have regular meetings of the Council broadcast on a public access cable television channel and anticipates possible radio broadcasts of Council meetings.

The Council intends any broadcasting of Council meetings be unbiased and even-handed. Any televising of Council meeting should use camera shots that are appropriate for the Council, witnesses and audience members and are relevant to the discussion.

Video and audio shall be deleted only for the purpose of conforming to applicable laws governing public broadcasts. Editing for the above purpose and for the insertion of informational titles and graphics will be allowed. Portions of recorded Council meetings may be used in other news and informational broadcasts provided they are not portrayed out of context.

Any time a Council meeting is broadcast under the control of the city, it shall be simultaneously recorded and may be rebroadcast.

ARTICLE 3 CITY COUNCIL ACTING AS OTHER CITY ENTITIES

3.1 Local Contract Review Board

Authority. Chapter 2.30 of the Newport Municipal Code provides that the City Council shall act as the Local Contract Review Board and shall have all powers authorized by state law and city charter.

Meetings. The Local Contract Review Board shall normally act during a regular City Council meeting with the Mayor serving as chair. When action of the Local Contract Review Board is required, the issue will be placed on the City Council agenda in accordance with the “Order of Business” outlined in Meeting Procedures. The City Recorder will note the time that the Local Contract Review Board is called to order; any action taken; and the time the Mayor adjourns the Local Contract Review Board. The City Recorder will indicate the time that the City Council resumes its meeting.

3.2 Urban Renewal Agency

Authority. Ordinance No. 1910 provides that the City Council shall have the authority to exercise the powers of the Urban Renewal Agency.

Organizational Meeting. Immediately following the City Council organizational meeting, which is held at the first meeting of the year following the election of the Mayor and Councilors, the Urban Renewal Agency will meet to elect a chair and a vice chair utilizing the election process for selecting a Council President contained in the Council Rules. The chair and vice chair will continue in office for a two-year period until an organizational meeting is held following the next election of Mayor and Councilors. The Mayor will not be considered for election as chair or vice chair. The organizational meeting will be called to order by the Mayor to conduct the election of the chair and vice chair. Following the election, the organizational meeting will be adjourned.

Meetings. Meetings of the Urban Renewal Agency will be scheduled by the City Manager, acting as the Executive Director of the Urban Renewal Agency, the chair, or any two members of the Agency. Meetings will typically be scheduled in conjunction with regular City Council meetings when it is necessary for the Agency to meet. The chair shall assume the Mayor’s seat for presiding over the meeting. The Mayor will take the vacated seat.

Meeting Procedure. The meetings of the Agency will follow the “Rules Governing Council Meetings” outlined in the Council Rules.

Order of Business. The City Manager, as the Executive Director, shall arrange the order of business to achieve an orderly and efficient meeting. The order of business will be as follows:

URBAN RENEWAL AGENCY

- I. Roll Call
- II. Public Comment (three minutes per person) on non-agenda items
- III. Consent Calendar (approval of minutes, renewal of leases, and routine issues, etc.)
- IV. Public Hearings or Special Orders of Business
- V. Communications (agenda items requested by Agency Members, City Attorney, commissions, boards, task forces, committees, community groups, or individuals with a ten minute limit for presentation)
- VI. Executive Director's Report (includes all items from the Executive Director, department heads, and other staff requiring Urban Renewal Agency action, and informational items.)
- VII. Agency Member Reports and Comments
- VIII. Adjournment

ARTICLE 4 BOARDS, COMMISSIONS, COMMITTEES, AND TASK FORCES

4.1 *Establishment of Boards, Commissions, Committees, Task Forces, Work Groups, and Sub-Groups*

The City Council may establish boards, commissions, and standing committees by ordinance. These are typically groups that would deal with on-going issues.

The City Council may establish Task Forces by Council resolution which should contain a specific task and completion date for the task.

The City Council may establish work groups and sub-groups for the purpose of studying a specific issue. Work groups and sub-groups may be established by Council motion which should include a topic to be studied along with direction as to the composition of the group and an approximate completion date of the study.

Every meeting of any board, commission, committee, task force, work group, and sub-group established by the City Council will be attended by appropriate city staff as assigned by the City Manager. With the exception of work groups and sub-groups which include no more than two City Councilors as members; all meetings of any board, commission, committee, task force, work group, and sub-group will be properly noticed pursuant to the Oregon Public Meetings Law. Agendas, minutes, and audiofiles will be prepared for all meetings except work groups and sub-groups with two or fewer Councilors. All agendas, minutes, and audio files required by these Rules will be posted on the city's website.

Appointments to Boards, Commissions, Committees, Task Forces, Work Groups, and Sub-Groups shall be made by the Mayor subject to confirmation by the City Council.

4.2 *Vacancies on Boards, Commissions and Committees*

The Mayor, subject to ratification by the Council, shall appoint all members of boards, commissions, committees, and task forces, and appoint persons to fill all vacancies. The City Manager will seek applications from interested candidates. The Council may, and normally will, interview applicants for the Planning Commission and Budget Committee. Other committees, boards, and task forces will make recommendations to the Mayor regarding candidates to fill vacancies that may occur on committees, boards, and task forces other than the Planning Commission and Budget Committee.

4.3 *Liaison to Boards, Commissions, and Committees*

The Mayor may appoint Council Members to act as liaison to boards, commissions, committees, task forces, or other bodies that advise the Council **at the organizational meeting for a two-year term**. In the event a Council liaison is unable to attend a meeting of the board, commission, committee, or task force, the liaison will either contact

another Council member to act as liaison for the meeting or ask the Mayor to find a substitute. If, during the course of the two-year period, a change of assignment is requested, that request should be forwarded to the Mayor and approved by the City Council.

When attending a meeting of a city board, commission, committee, or task force as liaison, Council Members will:

- A. Not attempt to lobby or influence the board, commission, committee, or task force on any item under its consideration, unless the City has taken an official position regarding that item.
- B. Not vote at the body's meeting on any item. This rule applies only when the Council Member is acting as liaison; it does not apply when the Council Member is a member of the board, commission, committee, or task force and does not apply to non-city bodies when the Council Member is the representative of the city.

4.4 *Annual Report of Boards, Commissions, Committees, and Task Forces*

At the request of the Council, boards, commissions, committees and task forces will report to the Council on their activities.

ARTICLE 5 GENERAL COUNCIL RULES

5.1 *Orientation of New Councilors*

Orientation will be provided to newly-elected Councilors by the Mayor, City Manager, and City Attorney at a time that is mutually agreed upon. Traditionally, orientation is provided through a day- long series of meetings and tours of city facilities

5.2 *Appointed Positions*

The Council appoints and can remove the City Manager, the City Attorney, and the Municipal Judge. The Council shall evaluate the City Manager and the City Attorney in accordance with their respective contracts, but no less frequently than once a year. The Council may meet with the Municipal Judge once annually, but will not interfere with the Municipal Judge's exercise of judicial authority and discretion.

5.3 *Communication with Staff*

All Council Members shall respect the separation between the Council's role and the City Manager's responsibilities by:

- A. Not interfering with the day-to-day administration of city business, which is the responsibility of the City Manager.
- B. Working together as a team within a spirit of mutual confidence and support.
- C. Respecting the administrative functions of the City Manager, the City Attorney, and department heads and refraining from actions that would undermine the authority of the City Manager or department heads. The Council will abide by the City Charter in its dealings with the City Manager and City Attorney.
- D. Limiting individual inquiries and requests for information from staff or department heads to those questions that may be answered readily as part of staff's day-to-day responsibilities. Questions of a more complex nature shall be directed to the City Manager, City Attorney, or Mayor. Questions from individual Council Members requiring significant staff time or resources (generally, two hours or more) should normally require approval of the Council, although the City Manager, City Attorney, or the Mayor may determine to follow up on requests from Councilor Members. Written requests for information requested by an individual Council Member should normally be responded to in writing to the Council as a whole, with a notation as to which Council Member requested the information. Council Members should normally share any information obtained from staff with the entire Council. This section is not intended to apply to questions by Council Members acting in their individual capacity rather than as Council Members, or to questions regarding conflict of interest or similar issues particular to the Council member.

- E. Communication with the City Attorney by individual Councilors is authorized and appropriate regarding issues relating to the legal duties and responsibilities of individual Councilors in the discharge of their duties and responsibilities as members of the Council. Such matters could include the ethical obligations of individual Councilors, including the disclosure of personal conflicts of interests and similar issues. Councilors are cautioned to be judicious in utilizing City Attorney time and resources without direction of the entire Council. The City Attorney is NOT the personal attorney of any Councilor; the City Attorney represents the City of Newport.
- F. Limiting individual contacts with city officers and employees so as to not influence staff decisions or recommendations, so as to not interfere with staff work performance, and so as to not undermine the authority of the City Manager, department heads, and other managerial and supervisory employees.
- G. Respecting staff and their roles and responsibilities, even if expressing criticism of an action.

Nothing in this section precludes Council Members from obtaining information and asking questions during Council meetings or from evaluating the performance of the City Manager or City Attorney.

5.4 Conduct of Council Members.

- A. *Non-Participation.* A Councilor shall not participate in a quasi-judicial decision if the Council member is biased to the extent that the Council Member cannot decide the matter by applying the applicable standards and criteria to the facts of the situation as presented to the Council. A Council Member shall not participate in any decision when participation in the decision is contrary to state law. Any person may challenge the participation of a Council Member at the start of the proceeding. If a challenge is made, the Council Member may choose to withdraw or rehabilitate him or herself, by stating on the record that he or she can make a fair decision based solely upon the evidence presented and applicable criteria. If the Council Member does not withdraw or rehabilitate him or herself, the remainder of the Council will decide by motion whether the Council Member will participate. A Council Member who is not participating shall not sit at the Council table, and shall move into the audience seating.
- B. *Conflict of Interest.* Under state law, an actual conflict of interest is defined as one that *would* or will result in a financial benefit or the avoidance of financial debt to a Council Member, his or her relative or a business with which the Council Member is associated. A potential conflict of interest is one that *could* or might result in financial benefit or avoidance of financial debt. A Council Member must publicly announce both potential and actual conflicts of interest each time the issue creating the conflict arises before the Council. In the case of an actual conflict of interest, the Council Member must refrain from participating in debate on the issue and from voting unless allowed by state law. If a Councilor believes that he or she qualified to vote

on the matter despite an actual conflict of interest, that Councilor should seek legal advice from the City Attorney prior to voting or debating the matter. A Council Member who is not participating because of an actual conflict of interest shall leave the Council table after declaring the conflict. For the purposes of this policy, the term “relative” shall be defined consistent with ORS 244.020.

- C. *Ex Parte Contacts.* For quasi-judicial hearings, Council Members will endeavor to refrain from having ex parte contacts relating to any issue of the hearing. Ex parte contacts include any information relevant to the issue at hand, other than contacts with staff, gained outside the formal hearing process and not in the record relating to the subject matter of the quasi-judicial hearing. Ex parte contacts include both oral and written communication. If a Council Member has an ex parte contact prior to any hearing, the Council Member will reveal the contact on the record at the beginning of the hearing, and describe the substance of the contact. After all declarations of ex parte contacts, the presiding officer shall announce the right of interested persons to rebut the substance of the communication.
- D. *Absence for Portion of a Hearing.* For quasi-judicial hearings, a Council Member who was absent during the presentation of evidence cannot participate in any deliberations or decision regarding the matter unless the Council Member has reviewed all the evidence and testimony received.
- E. *Government Ethics Requirements and Reporting.* Council Members shall review and observe the requirements of the State Ethics Law (ORS 244.010 to 244.390) dealing with use of public office for private financial gain. Council Members shall give public notice of any actual or potential conflict of interest and the notice will be reported in the meeting minutes. Council Members shall timely file annual statements of economic interest with the Government Ethics Commission.
- F. *Ethical Conduct and Fair Treatment.* In addition to matters of financial interest, Council Members shall maintain the highest standards of ethical conduct and assure fair and equal treatment of all persons, claims, and transactions coming before the Council. This general obligation includes the duty to refrain from:
 - 1. Disclosing information that is confidential under law or making use of special knowledge or information before it is made available to the general public.
 - 2. Making city decisions involving the Councilor’s business associates, customers, clients, and competitors.
 - 3. Repeated violations of these Council Rules.
 - 4. Promoting relatives, clients, employees or for boards, commissions, committees, and task forces.

5. Requesting preferential treatment for themselves, relatives, associates, clients, coworkers, or friends.
 6. Seeking employment of relatives with the city.
 7. Actions benefiting special interest groups at the expense of the city as a whole.
 8. Expressing an opinion contrary to the official position of the Council without so stating.
- G. *General Conduct.* In general, Council Members shall conduct themselves so as to bring credit upon the government of the city by respecting the rule of law, ensuring non-discriminatory delivery of public services, keeping informed concerning the matters coming before the Council and abiding by all decisions of the Council, whether or not the member voted on the prevailing side.
- H. *Participation in Council Meetings.* Any Council Member desiring to be heard during a Council meeting should normally be recognized by the presiding officer and shall confine his or her remarks to the subject under consideration or to be considered. Council Members will speak one at a time, allowing one another to finish. The presiding officer may allow flexibility in the application of this rule.

5.5 Confidentiality

Council Members will keep all information provided to them on matters that are confidential under law in complete confidence to ensure that the city's position is not compromised. No mention of any information confidential under law, whether provided to the Council Members in written form or verbally, should be made to anyone other than other Council Members, the City Manager, the City Attorney, the City Recorder, or responsible department heads.

- A. If the Council in executive session provides direction to staff on proposed terms and conditions for any type of negotiation, whether it be related to property acquisition or disposal, a pending or likely claim or litigation, or employee negotiations, all contact with other parties shall be made by designated staff or representatives handling the negotiations or litigation. A Council Member will not have any contact or discussion with any other party or its representative nor communicate any executive session discussion, except as authorized by Council.
- B. All public statements, information, or press releases relating to matters that are confidential under law will be handled by the City Manager or other person authorized by the Council.
- C. The Council, by resolution or motion and with a majority vote of the entire Council, may censure a member who discloses a matter that is confidential under law.

5.6 Public Records

The disposition of public records created or received by individual Council Members shall be in accordance with Oregon Public Records Law. Written information incidental to the official duties of a member of the City Council, including electronic mail messages, notes, memos, and calendars (e.g., “Daytimers”) are public records and are subject to disclosure under the public records law. All e-mail, relating to city business, must be retained by each Councilor or copied to the City Recorder who will retain that record. E-mail that is deleted from a city e-mail address cannot be retained.

5.7 Attendance and Presence in the City

Councilor Members will inform the Mayor and/or City Manager if they will be unable to attend any meetings. If the Mayor will be absent, the Mayor will inform the City Manager and the Council President. Under the City Charter, a Council position becomes vacant if the Council member is absent from the city for more than 30 days without Council permission. The permission to be absent from the city must be requested before the absence, or in the case of a family illness or other unforeseen event, prior to the end of the 30-day absence.

5.8 Representing the City

When a member of the City Council represents the city before another governmental agency, before a community organization or media, the official should first indicate the majority position of the Council if there is one. Personal opinions and comments may be expressed only if the Council Member clarifies that those statements do not represent the position of the Council.

- A. The effectiveness of city lobbying in Salem or in Washington, D.C., depends on the clarity of the city’s voice. When Council Members represent the city in a “lobbying” situation, it is appropriate that the Council Members avoid expressions of personal dissent from an adopted Council policy.
- B. When Council Members attend meetings of organizations such as the League of Oregon Cities or the National League of Cities and their boards and committees, they do so as individual elected officials and are free to express their individual views. If the City Council has an adopted policy relating to an issue under discussion, the Council Member is expected to report that fact.
- C. By resolution, the Council may appoint one or two of its members to act as negotiators with groups, individuals, or other governmental entities. Any agreements made by such negotiators shall require approval of the Council as a whole to take effect.

5.9 Use of City-Owned/Issued Electronic Devices by Councilors

Definitions

- A. **City E-mail Address.** The e-mail address established by the city for the Mayor and City Council to use during their term of office to conduct city business.
- B. **E-mail.** Electronic mail is a method of exchanging information in a digital format, including various attachments from one author to one or more recipients.
- C. **Electronic Devices.** Electronic devices include desktop and laptop computers, smart phones, or tablets that the Mayor and City Council are issued by the city.
- D. **City Council.** Includes the Mayor and City Council elected to serve the city during their current term of office.
- E. **Public Record.** "Includes, but is not limited to, a document, book, paper, photograph, file, sound recording or machine readable electronic record, regardless of physical form or characteristics, made, received, filed, or recorded in pursuance of law or in connection with the transaction of public business, whether or not confidential or restricted in use" (ORS 192.005(5)). In addition, a public record includes ". . .any writing containing information relating to the conduct of the public's business. . .prepared, owned, used or retained by a public body regardless of physical form or characteristics." (ORS 192.410(4)).
- F. **Retention.** The length of time a public record must be kept to satisfy the administrative, legal, fiscal, and/or historical needs of the city. Retention periods are tied to the content of a record, not the form of the record.

City Councilors shall have the use of a city-issued electronic device with appropriate software. Agenda materials will primarily be provided to Council electronically.

City-issued electronic devices are intended to be used primarily for city business, however, incidental personal use is allowed in accordance with these policies. The following rules shall apply to Councilor's use of city-owned electronic devices:

- A. The city shall supply the electronic device with appropriate software. Councilors shall not download any programs, or install any software on the electronic device without prior approval of the city's IT Manager.
- B. The electronic device shall be equipped to allow internet access and e-mail capabilities; however, Councilors shall not have access to the internet or e-mail accounts, unless so directed by the Mayor, during any Council meetings, and the electronic device shall not be used by Councilor's to communicate with each other, or any member of the public, during a Council meeting.
- C. E-mail use by Councilors will comply with the requirements of the Oregon Public Records Law, ORS 192.410 through 192.505, and the State Archivist public records retention scheduled adopted pursuant to ORS 327.825 and the related administrative rules.
- D. Councilors shall have the use of the electronic device during their term of office, and such right shall terminate at the same time as the member's term of office ends, at which time, the electronic device shall be returned to the city.
- E. Councilors shall be responsible for maintaining the electronic device in good condition, and to reasonably protect it from theft, loss, or damage.

- F. Councilors shall not use the electronic device in connection with election or re-election efforts or campaigning for themselves or any other candidate for public office.
- G. Councilors shall not use the electronic device, or the internet access or e-mail provided with it, for any commercial, illegal, or illicit purpose or activity, or for financial gain.
- H. Councilors should recognize that documents that exist on the electronic device, from the production of a document, internet usage, e-mail, are subject to disclosure under the Oregon Public Records Law. Councilors shall not delete any e-mail messages, or other public records, related to their role as City Council members, unless specifically authorized by city staff.
- I. Councilors shall not use the electronic devices for any purpose that violates the Oregon Public Meetings Law.
- J. The electronic device shall, at all times, remain city property, and therefore subject to return upon request, for inspection, repair, installation of additional hardware/software, or other applications.
- K. It is the responsibility of Councilors to return the city-owned electronic device to the City Manager's Office for service or repairs.
- L. Councilors shall be responsible for costs relating to internet connectivity outside of City Hall.

5.10 *Conferences and Seminars*

Council Members are urged to educate themselves about local government. To that end, and as funding allows, Council Members are urged to attend the League of Oregon Cities functions at city expense. Requests to attend other government-related conferences, training, seminars, and meetings will be presented to the Council for approval. Council Members who serve on committees or the boards of the League of Oregon Cities, the National League of Cities, or other similar associations of local governments will be reimbursed for reasonable expenses not covered by the respective body.

5.11 *Expenses, Reimbursement and Compensation*

Council Members shall receive no pay or other compensation for serving on the Council. Council Members will follow the same rules and procedures for reimbursement as those which apply to city employees, when seeking reimbursement for attendance at authorized conferences or other authorized reimbursement. The city does not reimburse Council Members for expenses incurred by their spouses and/or guests.

5.12 *Gifts by the Council*

On occasion, and within the approved budget, the Council may wish to purchase a gift or memento for someone with city funds. Expenditures of this type shall require consensus approval of the Council.

5.13 *Contacts with Organizations*

The City Council will seek meetings with the Lincoln County Board of Commissioners, the Lincoln County School District Board, the Port of Newport, and other local governments, and groups, as needed to address issues of common interest. The City Council will allow local groups such as the Chamber of Commerce, and local business, neighborhood or citizens groups, to make presentations to the Council on matters of common interest.

5.14 *Litigation*

The City Manager and/or City Attorney will provide the City Council with a confidential memo regarding claims and may meet in executive session with the Council within 30 days of the city's receipt of:

- A. A statutory notice of intent to sue, or
- B. A summons and complaint for damages.

The City Manager and/or City Attorney will provide the Council with a report of all claims filed against the city.

5.15 *Vacancies on the Council*

Upon declaring a vacancy on the City Council, the Council will fill the vacancy under provisions of the City Charter. The vacancy will be advertised and applications will be accepted. After the filing deadline has passed, the Council will conduct public interviews of all applicants. The Council will make a decision to fill the vacancy in a public meeting.

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.D.
Meeting Date: 5-16-16

Agenda Item:

Authorization to Execute a Memorandum of Understanding with the Newport Employees Association

Background:

As part of the agreement between the Newport Employees Association and the City of Newport there was an agreement to form a salary review committee that would compare job classifications with comparable jurisdictions to conduct a wage study for the basis of adjustments beginning July 1, 2016 with the intent that the salary study would be use in consideration for bargaining those wages with a reopener on April 1, 2016. At the time we entered into the agreement we had indicated that the salary study would be completed by April 1, 2016. Due to having to rewrite virtually all of the job descriptions for employees within Public Works and dealing with the review of these descriptions by supervisors and the Association, this deadline has not been able to be met.

The job descriptions have all been completed and submitted to LGPI for use for the salary study however the actual study will not be available until July. As I indicated in my budget message, it is proposed that all non-union employees received a 2% coast of living increase as of July 1, 2015 and potentially a further adjustment retroactive to July 1, 2016 based on the salary study that would begin being implemented effective July 1, 2016. The memorandum of understanding would put the same understanding in place for the employees covered by the Newport Employees Association agreement. Please note that wage adjustments that are made based on consideration of the salary study may be implemented over several years.

Recommendation:

I recommend that the City Council consider the following motion:

I move to authorize the City Manager to enter into a memorandum of understanding with the Newport Employees Association which includes a 2% cost of living increase effective July 1, 2016 and delay the negotiations reopener for any further adjustments based on consideration of the salary study until August 1, 2016 with any further wage adjustments that are negotiated and effective for 2016-17 being paid retroactively to July 1, 2016.

Fiscal Effects:

Sufficient funds are included in the proposed budget to cover this expense.

Alternatives:

None recommended.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel", is written over a light blue rectangular background.

Spencer R. Nebel, City Manager

**MEMORANDUM OF UNDERSTANDING
CITY OF NEWPORT AND THE NEWPORT EMPLOYEES ASSOCIATION
2015-2018 CBA Re-Opener**

The parties hereby agree to modify Article 13 of the parties' Collective Bargaining Agreement (CBA) as follows:

Effective July 1, 2016 all wages in Appendix A shall be increased by two percent (2%).

The City has requested additional time to complete its salary review therefore, by August 1, 2016 the analysis shall be complete. The parties agree to re-open the contract by August 1, 2016 for bargaining additional wages retroactive to July 1, 2016 and wages effective July 1, 2017 in consideration of the salary review.

The above re-opener shall be in addition to the two percent (2%) wage adjustment effective July 1, 2016.

City of Newport

Newport Employees' Association

Spencer Nebel, City Manager

Justin Scharbrough, President

Date

Date

CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:8.C.
Meeting Date: 5-16-16

Agenda Item:

Notice of Intent to Award and Negotiate an Actuary Service Contract with Silverstone Group

Background:

A request for proposals was advertised for actuarial services for the City of Newport Employees Retirement System. The city's retirement system has had two separate actuaries, one for the Defined Benefit portion of the plan and the other for Defined Contribution portion of the plan in the past. Having two separate actuaries has led to complications in obtaining timely actuarial information in the past. The RFP consolidates both the Defined Benefit and the Defined Contribution actuary requirements into one professional services agreement.

Proposals were sent to our two incumbent actuarial companies as well as advertised. The city only received one proposal from the Silverstone Group of Lake Oswego, Oregon. An evaluation committee reviewed the proposal and concluded unanimously that Silverstone will meet the requirements as outlined in the RFP. Moving forward with Silverstone will help the retirement system enhance the type of information that is available for employees as well as for the city.

Recommendation:

I recommend the City Council acting as the Local Contract Review Board consider the following motion:

I authorize the contract to the Silverstone Group for actuary services for the City of Newport Employee Retirement System following any protest period for a five-year period commencing July 1, 2016 with an option of extending the contract for two additional one year terms and authorized the City Manager to execute the agreement.

Fiscal Effects:

The annual cost is estimated at \$20,000 under this proposal with fees subject to annual increases but in no case will the annual increases excide 5%.

Alternatives:

None recommended.

Respectfully Submitted,

Spencer R. Nebel, City Manager



**STAFF REPORT
CITY COUNCIL AGENDA ITEM**

Prepared by: Mike Murzynsky, Director of Finance

Title: Notice of intent to award and negotiate an Actuary Services Contract with Silverstone Group

Recommended Motion:

Accept the proposal and award a contract to Silverstone Group and authorize the City Manager to sign a contract between the City of Newport and Silverstone Group for Actuarial Services for five years, with an option to extend the contract for two additional, one-year terms. The contract will commence July 1, 2016.

Background Information:

It has been a goal of the Retirement Committee, Finance and City Manager to replace the current Actuaries and to advertise a RFP for Actuarial Services. In February 2016, The Finance Department requested proposals from multiple firms through a formal competitive Request for Proposal (RFP) process and received proposals from two qualified firms. However, only one firm completed the response, this did not deter the process so we decided to complete the RFP process.

A Selection Review Committee (consisting of Rebecca Cohen - Chair of Trustee, Linda Brown, Assistant Finance Director, and Spencer Nebel, City Manager) reviewed the responses to the RFP based on technical competence, professional references, and cost. The results were tabulated into a matrix and Silverstone Group scored well and is the apparent winner.

Based on discussion with the Review Committee it was decided to present the award to Silverstone Group, once City Council approves the selection.

Fiscal Notes:

\$20,000 is included in the Finance department budget for the 2016-17 Fiscal Year.

Alternatives:

None

Attachments:

Silverstone Response (without appendices/attachment four and five)
Actuary Score Sheet (Matrix)

**PROPOSAL FOR ACTUARIAL
SERVICES FOR THE NEWPORT
EMPLOYEES' RETIREMENT PLAN**
MARCH 17, 2016

City of Newport



SilverStone
GROUP

4000 Kruse Way Place
Building 2, Suite 220
Lake Oswego, OR 97035
phone | 503.597.1627
toll free | 800.490.8003

Wisdom at Work.

SILVERSTONEGROUP.COM

March 17, 2016

City of Newport Finance Department
169 SW Coast Highway
Newport, OR 97365

RE: Actuarial Services for the Newport Employees' Retirement Plan

Dear Sir or Madam:

We are pleased to present our actuarial, administrative and benefit statement services for the City of Newport Employees' Retirement Plan. The original and four copies of our proposal are enclosed. This cover letter and the information contained in the proposal will provide the documentation we believe will assist you in evaluating our capabilities. If we are selected for this engagement, the work will be performed primarily by actuaries and pension benefit administrators in our Portland office.

In submitting this response, we certify:

- Our Firm is a full-service actuarial consulting firm that provides actuarial and pension administrative services for governmental and corporate-sponsored defined benefit and defined contribution pension plans.
- We qualify as a resident bidder of the state of Oregon.
- We provide similar actuarial services and pension benefit administrative services to other employers of comparable size. These services include, but are not limited to:
 - Prepare the annual actuarial valuation report
 - Provide the annual GASB Nos. 67 and 68 reports
 - Provide the annual combined individual benefit statements for the defined benefit and defined contribution retirement plan
 - Provide general consulting services and conduct periodic experience studies
- This letter is signed by an individual authorized to bind the firm contractually and is authorized to provide clarification to the proposal should it be necessary.
- Our Firm is fully accredited and credentialed to provide actuarial services and is currently registered to do business in the state of Oregon.

We believe SilverStone Group to be the most qualified firm to perform this work for these reasons:

- **Qualifications** – The assigned actuaries, consultants and administrators are fully qualified to perform the work.
- **Experience** – We have performed actuarial services related to defined benefit and defined contribution plans for more than 40 years.
- **Responsiveness** – The assigned actuaries, consultants and administrators place the highest priority on delivering high quality work with adequate time margins to satisfy all reporting and communication deadlines.

City of Newport Finance Department
March 17, 2016
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- Commitment – Our clients are an important extension of our actuaries, consultants and administrators. We will work to provide the services promised in a format that is easy to use and understand.
- Economy – We respect the desire for quality work at a reasonable cost and have reflected this in our proposal.

We appreciate this opportunity to present our proposal and are interested in providing any additional information you and your client may need to complete your evaluation.

Please call me at 402.964.5490 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen C. Gahan". The signature is fluid and cursive, with the first name "Glen" being more prominent.

Glen C. Gahan, FSA
Principal

GCG/km

Enclosures

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Appendix

Attachment One: Offeror Representatives and Certifications

Attachment Two: Contract (to be finalized later)

Attachment Three: Organization Chart

Attachment Four: Professional Biographies

Attachment Five: Actuarial Reports



Business Background and Experience

Firm history, size, locations and number of employees.

SilverStone Group is an employee benefit, human resource and risk management consulting firm. We have been in business for over 70 years, and we offer four core services:

- **Retirement Plans** – Actuarial, consulting, recordkeeping, administrative and investment advisory services for all types of qualified and non-qualified retirement plans.
- **Group Benefits** – Insured and self-funded medical programs including health, life, disability and dental.
- **Human Capital Consulting** – Consulting and project support to help organizations maximize the talent of their people.
- **Risk Management** – Property and casualty consulting and brokerage services.

Staff Size – Over 200 Associates work in our Portland, Oregon; Omaha, NE; Council Bluffs, Iowa; Sioux Falls, South Dakota and Scottsdale, Arizona offices. Of this number, 15 Associates are in the Retirement Division.

Technical Experience

SilverStone Group provides consulting services to over 180 defined benefit and defined contribution plans. This includes annual actuarial valuations for funding and accounting purposes, plan administration, benefit statements, plan experience analysis, plan design and compliance. We provide plan and city financial reporting to satisfy GASB Nos. 67, 68, 44 and 45.

Our plan design experience includes extensive financial modeling of alternative plan costs and delivery of benefits throughout employees' careers. Projections include impact of investment performance, alternative plan provisions, employee deferrals, demographic models, interest rate environments and employment patterns.

David Dougherty, of our affiliate David Dougherty, LLC, provided retirement plan consulting and asset-liability modeling to the City of Newport Employees' Retirement Plan from 2010 – 2012. These projects were part of the studies that led to the reforms to the retirement system that were ultimately enacted in 2012.

A sampling of other local government agencies for which we perform actuarial services include:

- David Douglas School District
- Portland Public Schools
- Lincoln County, OR
- City of Ashland, OR
- City of McMinnville, OR
- Tualatin Valley Fire & Rescue
- City of Prairie Village, KS

- Missouri Higher Education Loan Authority
- Dougherty County, GA
- Douglas County, NE
- Eastern Nebraska Human Service Agency

Actuarial Service Specialization

SilverStone Group specializes in three core actuarial areas:

- Pension plan actuarial services for funding and accounting purposes as well as administrative services for benefit calculations and benefit statements.
 - Complete benefit calculation services, including benefit election packages and participant communications.
 - Benefit statements for defined benefit and defined contribution plan.
- Defined contribution retirement plans for plan design services and benefit statements.
- Actuarial services for group medical plans for health insurance and financial accounting purposes.

We regularly participate in meetings with pension committees, elected officials and occasionally state legislative committees to review the results of our actuarial valuations.

Adequate Credentialed Staff

Our Firm has 15 full-time Associates who work in our Retirement department. Seven of these Associates are credentialed actuaries specializing in pension plans and/or medical plans. We staff our engagements with a minimum of two credentialed actuaries, and our business model assures we have adequate credentialed staff with the available capacity to replace the assigned actuary in the unlikely event such replacement becomes necessary.

Insurance Requirements

SilverStone Group carries professional, commercial and workers' compensation insurance that meets or exceeds the minimum required by the City.

Staff Experience and Qualifications

Plan Actuary

Glen Gahan, FSA, EA
Principal

Actuarial Analyst

David Choquette
Actuarial Analyst

Actuarial Analyst

Jesse Lauzon, EA
Actuarial Analyst

Peer Review Actuary

Mike Ehmke, ASA, EA
Principal

Affiliated Consulting Actuary

David Dougherty, FSA, EA
Consulting Actuary

Plan Administrator

Donita Stratman
Plan Administrator

Glen Gahan – Glen will be the plan actuary and will be responsible for the success of the overall engagement. He will review all plans, procedures and will manage all special projects. With assistance of the actuarial analysis or the peer review actuary, he will present all valuation summaries and reports. He has over 25 years of retirement plan actuarial and consulting experience, including over 20 years with SilverStone Group. He advises clients on the funding, GASB reporting and design of their pension plans. Glen is a Fellow of the Society of Actuaries, Enrolled Actuary and Member of the American Academy of Actuaries.

Jesse Lauzon – Jesse will have primary responsibility for supporting the plan actuary to assemble the valuation results, the actuarial valuation report and related financial disclosures for the retirement plan and the retirement plan benefit statements. Jesse has 10 years of pension plan experience with SilverStone Group and is an Enrolled Actuary.

David Dougherty – Dave brings more than 30 years of retirement plan experience to his consulting practice. That experience includes large and small plans, qualified and nonqualified arrangements, and public, single and multi-employer plan sponsors. Dave established a private consulting practice in 2010 after leading the highly respected benefits firm of Dougherty Petroff Associates (DPA). DPA was acquired by StanCorp Financial Services (NYSE: SFG) in 2007. His current enterprise provides actuarial services to defined benefit and cash balance plans, supplemental executive retirement plans and retiree medical arrangements. His areas of expertise include asset-liability modeling and plan design.

David Choquette – David will support and assist Jesse and Donita with the actuarial and administrative aspects of the engagement. David has been with SilverStone Group for four years.

Mike Ehmke – Mike will be the resource and peer review actuary and will be responsible for reviewing the actuarial valuation results, actuarial valuation report and related financial disclosures. He has over 20 years of actuarial and consulting experience. Mike is an Associate of the Society of Actuaries, a Member of the Academy of Actuaries and an Enrolled Actuary.

Donita Stratman – Donita will be the plan administrator, with primary responsibility for assembling and reconciling the plan census, providing support in the preparations of the individual benefit statements and listings. Donita has been with SilverStone Group for seven years.

Key Staff – Our proposed staff consists primarily of three senior and one junior staff member, as a ratio of 3:1. We have assigned two additional junior staff members to assist mainly in back-up roles.

Each team member will also be assigned to work on other projects. Experience gained from serving other clients is invaluable as we gain knowledge and expertise that we will apply to service the City of Newport.

To help prioritize our work for the City, we will prepare a schedule of services that details our work timeline, including the preliminary steps of the project as well as the final delivery dates. We are committed to providing our services according to this agreed-upon timeline. Exceptions would only occur if we are not provided the required data or other information on a timely basis. In those cases, we communicate in advance with our clients in an effort to avoid missing a target delivery date, even when due to events beyond our control.

If a team member is unavailable, such as due to illness or termination of employment, we will temporarily insert a different staff member so that we meet your timing expectations. This other staff member will likely be the staff already assigned a back-up role.

We control and monitor the workloads of all team members through formal weekly team meetings, at which time all projects and deadlines for the week are reviewed and upcoming projects are discussed. Status reports are provided by team members to their peers and supervisors. The team employs a workload monitoring system that requires each team member to report their level of work and identify pending projects, which are monitored by their supervisor. Our staff model includes multiple team members trained to perform the same responsibilities, ultimately allowing for seamless reassignments, if necessary. Team members are empowered to initiate work reassignments subject to the controls and decision-making responsibility of the team leader.

Approach to Work

The qualities that differentiate our approach to work and which will contribute to a successful long-term relationship with the City of Newport are our accessibility and continuity, expertise and experience, and quality controls.

Accessibility and Continuity – Your contacts will be the individuals who perform the work. Direct access reduces your time and provides the most effective communication channels. We encourage our clients to contact our assigned staff to discuss any technical issues or questions. We do not intend on replacing or rotating any key personnel currently assigned or to be assigned either on a permanent or temporary basis. We believe maintaining the same personnel allows for the most efficient and highest quality of services that can be provided to a client.

Expertise and Experience – Your contacts, including plan administrators, consultants and actuaries, have all of the credentials and experience you would expect. The average number of years of experience of the members on the account management team is 17 years and includes actuarial, accounting and consulting backgrounds. They maintain their edge through continuing education and industry networking.

Reporting Capabilities – All of our reports are customizable to meet the specific needs of each client. When taking over an existing plan, we review the reports in place for prior years with the City to confirm we include consistent information and discuss any additional information we may recommend also be included. Included as Attachment 5 is a sample actuary's report for a public entity for funding and accounting purposes.

Technical Bulletins and Research – SilverStone Group keeps our clients informed on matters applicable to the areas in which we provide professional services. We do this by issuing periodic Special Bulletins and our *SilverLink* technical magazine. All content for the publications is prepared by our own experts. Please visit our website, silverstonegroup.com, to review our past Special Bulletins and our *SilverLink* publications.

Quality Controls – All the services requested have quality controls in place to help ensure compliance with the pertinent plan provisions, specific regulatory requirements, your service expectations and to ultimately minimize product inaccuracies. Our consultants' recommendations and work product are peer reviewed by an experienced consultant during the final completion stages of the project. In addition, our general work flow is based on a team approach with formal peer review of every step in the project and also to adhere to established policies and procedures manuals. This process enables multiple reviews to occur which results in high quality, technically accurate work being produced. These policies and procedures have resulted in a "standards of practice" which are used as a general guide for production of the work requested.

Participant Database – The current year valuation starts with collecting accurate plan participant data and asset data. We analyze the participant data to validate accuracy, logical sequence and completeness. The plan administrator works with the database manager to finalize the participant database. If data elements are missing, we request those elements from the plan sponsor.

Selection of Actuarial Assumptions – We will review with you each of the actuarial assumptions needed to complete the actuarial valuation. We will focus on the identification of appropriate investment return, salary increase and mortality table assumptions. We will also address the turnover, retirement and other decrement assumptions that have a direct bearing on the cost of providing retirement benefits.

Actuarial Valuation – Our actuarial valuation process provides plan sponsors with the information and education needed to be prudent managers of their plan, including the recommended contribution, funded percentage, impact of plan or assumption charges and participant statistics. The current year valuation starts with collecting accurate plan participation and asset data. We analyze the participant data to validate accuracy, logical sequence and completeness. If data elements are missing we request that data from the plan sponsor. If a participant terminated employment before the prior year end, we calculate the final accrued benefit. Rarely, if ever, will we use any estimated data. The plan administrator works with the database manager to finalize the participant database. The actuarial analyst completes the initial actuarial valuation. The plan actuary reviews the valuation. A second senior actuary completes a peer review.

Our actuarial valuation process includes an analysis and an explanation of changes in funded percentages, minimum required contribution and accounting costs.

Benefit Statements – We can provide annual benefit statements for participants in the pension plan and money purchase plan. Our systems are flexible and can prepare statements consistent with the formats currently used. We can also allocate on a pro-rata basis investment earnings to individuals participating in the money purchase plan, as long as the data needed to calculate the allocation is provided. Based on a review of documents we found on the City's website, these statements include:

- Accrued Pension Benefit
- Projected Pension Benefit
- Vested Percentage
- Optional Forms of Monthly Annuities
- Lump Sum Value of Pension Benefit
- Money Purchase Plan Account Balance
- Monthly Annuity Options of Money Purchase Plan

Conversion Process – SilverStone Group will take responsibility to establish and monitor a detailed conversion timeline with assigned responsibility to either SilverStone Group, the City or the prior actuary for each step. Included in the conversion will be regular and as-needed updates with the City so all parties are apprised of the progress, next steps and any changes or issues needing to be addressed.

Forecasts of Contributions and Accounting Information – We regularly assemble actuarial valuation forecasts to assist Cities and other plan sponsors to plan and respond to changes in these costs, funded percentages, investment allocation changes or changes in plan provisions over periods of five years and in some instances over longer periods.

Plan Design Studies – Analysis of the impact on members' benefit amounts and plan costs to the City and/or members of alternative benefit designs.

Online Individual Benefit Data – We have the ability to allow employees online access to their benefit statements and related documents or plan information.

Asset-Liability Studies – Asset-Liability Modeling can be performed to assist the City in quantifying the financial risks when determining the optimal investment policy for your pension plan. This analysis will project both plan asset and liabilities under multiple modeling scenarios to measure the impact of different asset allocation and return scenarios under varying interest rate and general economic environments. David Dougherty has previously provided this modeling for the City's retirement plan in 2010 – 2012.

Telephone Calls – We expect to establish an open line of communication with the employer. This will include informal calls and e-mails that you place to our consultants, actuaries or administrators. We will not submit time charges for calls that you place to ask questions or seek clarification regarding work we have performed. If, as a result of a call, we are asked to perform additional work or conduct specific research to answer a question, we will identify the work as a special project and record our time. In this situation, we will provide an estimate of the anticipated charges for the special project prior to performing the additional services.

Approach to Communication and Training

We are strongly committed to the training, professional development and continuing education of our Associates. Our Associates are a direct reflection of the Firm and the expertise and experience of our Associates is our Firm's most important strength and resource. We support continuing education requirements by paying for any offsite training sessions, webinars and cost of obtaining and maintaining the credentials of our Associates. A tuition reimbursement plan is available for classes at higher institutions that are related to the Associate's professional field and work assignments. Our Associates are engaged in the Firm by the internal communications of management by use of an internal intranet website. New business developments, company-wide events, Associate recognition and success stories are continuously provided on the internal intranet website and result into engaged, motivated Associates.

Approach to Technology

To help ensure that only authorized individuals are allowed access to data, only people with a "need to know" or a legitimate administrative purpose are allowed access to plan-specific participant data. The procedures used to help ensure privacy and security include, but are not limited to: password (strong, complex passwords that are changed

every 60 days), application password that restricts access to data elements and files only to those with authorization, and the use of TLS (transport layer security) for all e-mail transactions between SilverStone Group and the City of Newport. All systems are located in physically secure offsite data centers with either locked doors or keycard access.

SilverStone Group routinely runs penetration tests against all public IP addresses to identify vulnerabilities and remediation plans. SilverStone Group routinely runs vulnerability scans on all internal computing assets and determines remediation plans.

SilverStone Group employs a document imaging system that increases work efficiency and reduces the amount of paper used in our process. The file structures and rights are established by the manager and maintained by IT. Paper files are stored in locked file cabinets or rooms when not in use. Paper files which are no longer needed are shredded and recycled. Permanent records are maintained electronically unless there is a legal requirement to retain an original.

Unattended desks are to be clean and free of protected information. During the work day, files may be temporarily stored in a locked drawer at the desk of the employee when the employee steps away.

Access to SilverStone Group offices is restricted to employees and their guests. Within the general offices, guests must be attended at all times.

Each Associate is required to have an eight-character, strong password for network login. The rights of each Associate to access data stored on the network are based on login rights established by their manager and maintained by IT. In addition, all in-house computers (with the exception of conference rooms) are protected by a screen saver, which is activated after 10 minutes of non-use.

Approach to HIPAA Compliance

E-mail System: All outbound e-mail is checked for PI and PHI prior to leaving the SilverStone Group network. If we have established a TLS required connection with the receiving domain, the e-mail will always be sent using the TLS connection. Otherwise, e-mail is scanned using data loss prevention (DLP) technology; if PI or PHI is encountered, the message will be encrypted using the DLP technology.

Network File Storage: Electronic work-in-process will be stored on the network. Client information may also be stored on the network. Access to network files is controlled by user login. Client data is never stored on local drives.

End Point Control: End point control is in place on all company PCs to prevent the saving of data to unencrypted external devices.

Pricing

Fees for the basic services listed in Section 2.0 are based on a fixed fee schedule applicable for the 2016 – 2017 plan year as presented below. These fees are subject to annual increases, but no annual increase will exceed 5%.

Plan Setup	No charge
Annual Actuarial Valuation	\$7,500
• Includes Employee Census Review	
Individual Employee Benefit Statements	\$2,500
• Basis Investment Earnings Allocation	
• Includes Summary Listing	
Annual Meeting	No charge
Experience Study	\$2,500 in year performed
• Every three years	
GASB Financial Reporting	\$3,500
Individual Retirement Calculations including election forms	Unit charge
• Retirement	\$250
• Death	\$250
• Disability	\$250
• Termination	\$200
• Estimate	\$150
• QDRO Review/Consulting	\$500 Estimate

Additional Services – Additional or optional services will be billed at a fee agreed upon prior to commencing the work. If this fee is based on the number of recorded hours, then the fee will be based on the following hourly rate schedule for the 2016 – 2017 plan year.

Classification	Hourly Rate
Assigned Actuary	\$290
Peer Actuary	\$290
Actuarial Analyst	\$175
Plan Administrator	\$150
Systems Specialist	\$85
Database Administrator	\$85
Administrative Support	\$75

Responsible Business Practices

Sustainability

- We provide our reports, benefit statements and listings to our clients electronically, with paper benefit statements typically provided for employees. Paper copies are available for our clients upon request.
- A Firm-wide recycling program makes it easy for employees to go green, by having a special recovery bin at each desk and relocating trash cans to centralized locations. Within these recovery bins, everything from paper to aluminum and plastic can be recycled. Through this innovative system, we have eliminated the challenge that keeps many people from recycling and made it a part of everyday living. This program significantly expands our list of acceptable recyclable materials. In a typical office building, the ratio of recoverable recyclable materials to trash is 3:1.
- Long before going green was as popular as it is now, SilverStone Group began recycling aluminum pull tabs. Since 2006, we've donated nearly 300,000 tabs to the Ronald McDonald House to benefit sick children.
- Usage of bottled water has been discontinued and replaced with a water filtration system, saving thousands of plastic bottles a year. In addition, all Associates were provided with a hot/cold tumbler to use at the office, eliminating our need for Styrofoam and plastic cups.
- All confidential materials are shredded and recycled by a professional service.
- All remodeled buildings contain motion-sensing lighting to reduce energy utilization.
- All locations have adopted "paperless" technology through implementation of the ImageRight File Retrieval system, which provides document imaging for the insurance industry. This state-of-the-art system allows us to replace paper files with electronic images. By creating a "paper-less" office, documents and information are immediately available when needed, can be shared electronically and are printed only when absolutely necessary.
- We contribute to a healthy air quality by utilizing video conference technology, which reduces the amount of harmful, travel-related emissions.
- Rather than discard materials, used binders and ink cartridges are donated to charitable organizations to be reused, further solidifying our commitment to the environment.

We are proud to go beyond what is expected to create sustainability in our business practices. Protecting the environment is essential and SilverStone Group is committed to achieving continual environmental excellence.

Business Practices

At SilverStone Group, we believe we have a responsibility not only to our clients, but to our Associates, the community and the environment. Whether serving in our local communities, protecting the environment or volunteering for local organizations, SilverStone Group Associates are encouraged to impact the lives of others and make a difference in our world.

Workplace

SilverStone Group's Wellness Activities Group (WAG) strives to provide a healthy work environment that encourages growth by fostering programs and services to Associates and their families that effectively promote well-being, quality performance and community involvement. So every time a SilverStone Group Associate recommends the addition of a wellness initiative to a client's benefits program, there's a wealth of firsthand experience behind the suggestion. We know wellness works because we're doing it!

We encourage our Associates to pursue higher learning through our tuition reimbursement program. We also encourage Associates to attend professional education seminars and conferences, and support them as they attain their many professional designations and credentials.

Community

Our founders believed that success and generosity were two sides of the same coin. We try to live his ideal every single day.

At SilverStone Group, we're not only passionate about our work – we're also passionate about our communities. We realize that our Firm's success is tied to the well-being of those who live around us. It is our duty to be good stewards of what we have been given, as well as share our time, talent and resources where they are needed most.

SilverStone Group has a long history of giving back to our communities and to our country. We are very encouraging and supporting of our Associates volunteering their time and talents for the service organizations within our communities. As some examples of our spirit to serve, we:

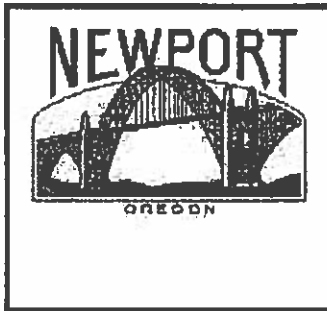
- Offer Associates paid time off to mentor students at their schools on a weekly or monthly basis.
- Provide a paid day off for Associates to participate in a Habitat for Humanity house build
- Regularly run diaper drives in our office to provide to young mothers living in area shelters
- Have Associates who participate on the Boards of many local charitable organizations

We corporately donate our financial assistance to many charitable organizations on an annual basis. We have an internal Stewardship Committee which considers the many requests for funds received. We try to support all those whose missions are consistent with our values and/or make a positive impact on the lives within our communities. A small sampling of these organizations include the Boys Scouts; Girl Scouts; local hospitals; zoo; food bank, shelters for men, women and families; high schools and colleges; various disease prevention associations and the United Way.

We've had Associates volunteer in leadership positions, such as a long-term member on a State Department of Transportation Board who oversaw a budget of \$1.4 billion per year, a Chairman of a city's chamber of commerce and as President of State and National professional organizations.

SilverStone Group is an equal opportunity employer, and we do not discriminate against individuals in our hiring and promoting practices. We have a broad array of clients throughout the country who employ a very diverse population. We often communicate directly with these employees as we help them enroll in their benefits programs, whether it be retirement plans, health and welfare plans or other types of insurance coverages. In addition, we offer specific diversity training for our clients through our Human Capital Consulting practice. With this great internal resource, we are able to address and enhance additional cultural competency and diversity training as the need arises.

David Dougherty, LLC is a Tier-1 Emerging Small Business (ESB) under the Oregon Office of Minority, Women and Emerging Small Business. He is also a citizen trustee for the Portland Police & Fire Disability and Retirement Fund (volunteer, appointed by the mayor) and a member of the Portland Rotary Club.



ADDENDUM NO. 1

Date: March 8, 2016

To: Interested Proposers

From: Mike Murzynsky, Director of Finance

Re: Actuarial Services for the Newport Employees Retirement Plan Request for Proposals (RFP)

This Addendum modifies the Actuarial Services for the Newport Employees Retirement Plan Request for Proposal documents only to the extent indicated herein. All other areas not changed or otherwise modified by this Addendum shall remain in full force and effect. This Addendum is hereby made an integral part of the original Project Documents.

The Proposer shall sign below acknowledging they have read and understand this Addendum and include this Addendum with their Proposal submittal. The RFP will be modified to reflect the following changes, or additions resulting from questions or clarifications.

1. Are there any particular reasons you are going out to bid or is the issuance of an RFP to meet a requirement to solicit proposals?

Currently there are TWO firms who prepare our annual reports. One, AKT, prepares the Defined Contribution (DC) annual statements for City staff. The other, Standard, prepares the Defined Benefit (DB) Annual Valuation report and individual annual DB reports. Also, Standard completes an estimate for potential retirees. As you will notice our goal is to have one firm complete both processes.

2. Will the firm that has provided the most recent annual valuation and benefit statements be invited to bid? How long has the current actuary been providing these services?

Yes, they are both eligible for submitting a response as long as they meet the requirements.

3. Is the Money Purchase Plan the defined contribution plan referenced in the RFP? (ref., Part 2, 2.0 Purposed and Basic Scope of Services) If yes:

Yes, that is part of the DC Plan.

Actuarial Services for the Newport Employees Retirement Plan Request for Proposals
(RFP) - Addendum no. 1

a) Who is the trustee?

The Retirement Board is a five-member board, named Plan Trustee, appointed by the Mayor subject to confirmation by the City Council to four year terms.

b) What are the investments in the Money Purchase Plan?

The investments are handled by Columbia Trust (formerly known as West Coast Trust), this is outside the scope of this RFP.

c) What is the frequency of the valuation?

Annual and this is DUE October of each year, earlier would be nice.

d) How often are benefit statements sent to participants?

Annual and this is DUE October of each year, earlier would be nice.


4. Please provide a copy of plan documents and Summary Plan Descriptions for the City of Newport's Retirement Plan (defined benefit and contribution plan).

For a copy of the 2016 Plan documents please send a request to m.murzynsky@newportoregon.gov and I will send a copy. For the Summary Plan Descriptions that data can be downloaded at the following link:

<http://newportoregon.gov/dept/adm/hr/retirement.asp>

5. Please provide a copy of the most recent valuation report.

For a copy of the 2014-15 Valuation report please send a request to m.murzynsky@newportoregon.gov and a copy will be sent to you.


Proposer Signature

3/17/2016
Date

SILVERSTONE GROUP
Company Name (Please print)

February 24, 2016

ATTACHMENT 1 PROPOSER REPRESENTATIONS AND CERTIFICATIONS**FAILURE OF THE PROPOSER TO COMPLETE AND SIGN THIS FORM MAY RESULT IN REJECTION OF THE SUBMITTED OFFER**

The undersigned, having full knowledge of the specifications for the goods or services specified herein, offers and agrees that this offer shall be irrevocable for at least 60 calendar days after the date offers are due or as stated in the solicitation, and if accepted, to furnish any and/or all goods or services as described herein at the prices offered and within the time specified.

PROPOSER NAME:

SILVERSTONE GROUP

ADDRESS:

4000 KRUSE WAY PLACE, BLDG #2, STE 220 LAKE OSWEGO OR 97035

TELEPHONE NO:

800-288-5501STATE OF
INCORPORATION:NEBRASKA

DATE OF INCORPORATION:

APRIL 10, 1996BUSINESS
DESIGNATION:☐ Corporation☐ Sole Proprietor☐ Partnership☒ S. Corporation☐ Non-Profit☐ Government☐ Other: _____

OREGON MWESB

CERTIFICATION NUMBER:

1604185-5

Minority Owned



Woman Owned



Emerging, Small



N/A

ASSURANCES - The Proposer attests that:

The person signing this offer has the authority to submit an offer and to represent Proposer in all phases of this procurement process;

The Information provided herein is true and accurate;

The Proposer is a resident proposer, as described in ORS 279A.120, of the State of OREGON, [insert State] and has not discriminated against any minority, women, or emerging small business enterprises in obtaining any required subcontracts, in accordance with ORS 279A.110;

"Resident bidder" means a bidder that has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the bid, has a business address in this state and has stated in the bid whether the bidder is a "resident bidder". ORS 279A.120 (1) (b);

Any false statement may disqualify this offer from further consideration or because of contract termination; and

The Proposer will notify the City of Newport Finance Director within 30 days of any change in the information provided on this form.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS - The

Proposer certifies to the best of its knowledge and belief that neither it nor any of its principals:

1. Are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from submitting bids or proposals by any federal, state or local entity, department or agency;
2. Have within a five-year period preceding the date of this certification been convicted of fraud or any other criminal offense in connection with; obtaining, attempting to obtain, or performing a public (federal, state, or local) contract,

February 24, 2016

embezzlement, including theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Are presently indicted for or otherwise criminally charged with commission of any of the offenses enumerated in paragraph 2. of this certification;
4. Have, within a five-year period preceding the date of this certification had a judgment entered against contractor or its principals arising out of the performance of a public or private contract;
5. Have pending in any state or federal court any litigation in which there is a claim against contractor or any of its principals arising out of the performance of a public or private contract; and
6. Have within a five-year period preceding the date of this certification had one or more public contracts (federal, state, or local) terminated for any reason related to contract performance.

CERTIFICATION REGARDING CONFLICT OF INTEREST

"Organizational conflict of interest" means that, because of other activities or relationships with other persons or firms, a Contractor or Consultant (including its principal participants, directors, proposed consultants or subcontractors) would be unable or potentially unable to render impartial, technically sound assistance or advice to City of Newport; or the Contractor's or Consultant's objectivity in performing the Work would or might be otherwise impaired. The Proposer certifies to the best of its knowledge and believe that neither it nor any of its principal participants and agents:

1. Has any relationships with any firms or individuals that are or appear to be an organizational conflict of interest.
2. Has or has had the following relationships with the specific firm(s)/individual(s), identified below, which may be determined to be an organizational conflict of interest. I understand that based on the information provided by Proposer, City of Newport may exclude the Proposer from further consideration and may withdraw its selection if the real or apparent organizational conflict of interest cannot be avoided or mitigated. Proposer further certifies that the degree and extent of the relationship of the Proposer with these named firm(s)/individual(s) have been fully disclosed below.

SILVERSTONE GROUP AND/OR ANY INDIVIDUALS FROM SILVERSTONE GROUP
HAVE NO CONFLICT OF INTEREST WITH THE CITY OF NEWPORT, OREGON.

Where Proposer is unable to certify to any of the statements in this certification, Proposer shall attach an explanation to their offer. The inability to certify to all of the statements may not necessarily preclude Proposer from award of a contract under this procurement.

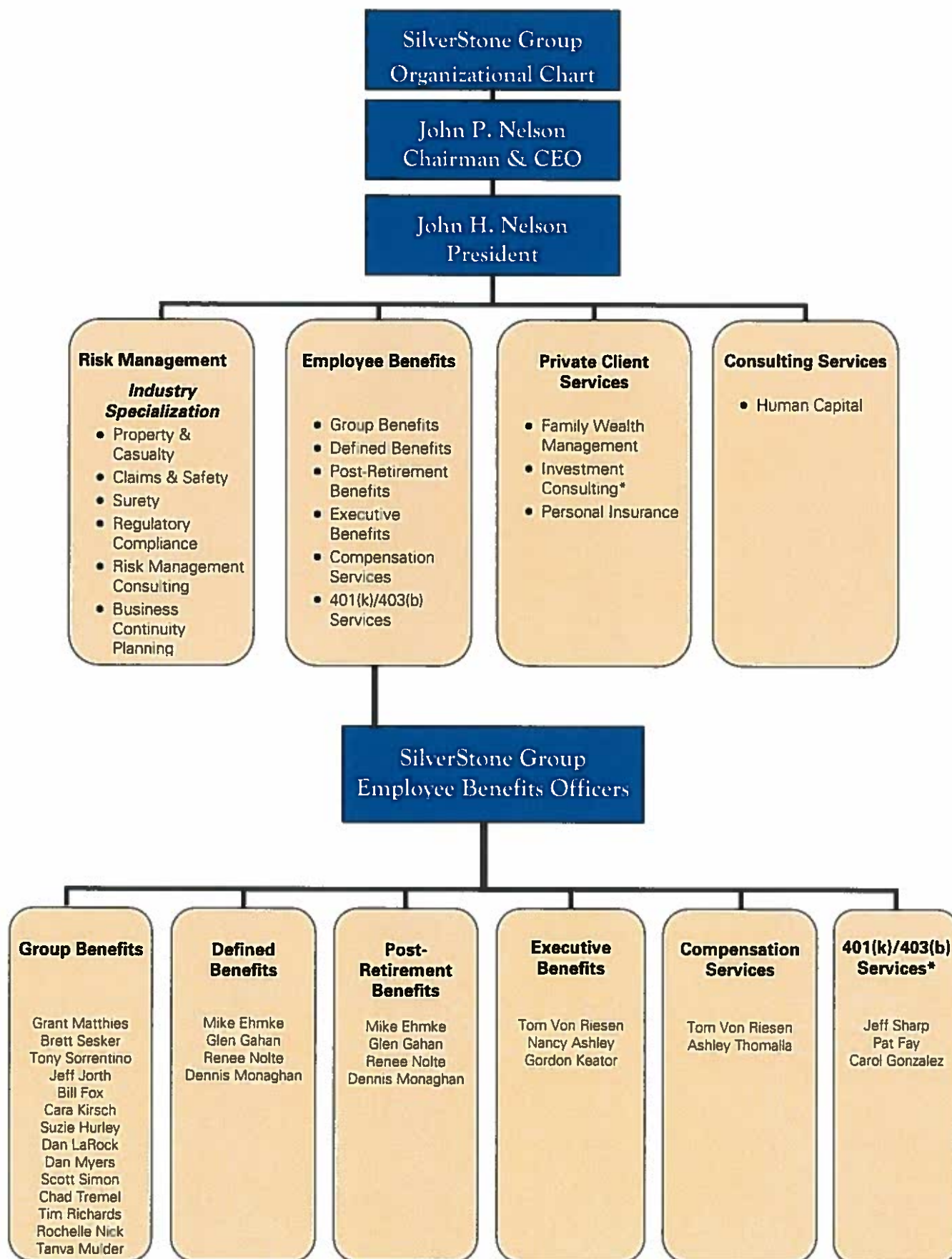
SIGNATURE OF AUTHORIZED PERSON

Signature:  Date: 3/17/2016

Print Name & Title: GLEN C. GAHAN, PRINCIPAL

Contact Person for this Procurement: GLEN C. GAHAN

Phone: 402.964.5490 Email: ggahan@ssqi.com



Silverstone Group

Apparent winner ****

		Reviewer Points	Reviewer Points	Reviewer Points	
Section 3.2	Possible Points	RC	LB	SN	Total
3.2.1 Business Background and Experience	20	20	20	20	60
3.2.2 Qualifications	25	25	25	25	75
3.2.3. Approach to Work	10	10	10	10	30
3.2.4. Pricing	30	30	30	25	85
3.2.5. Business Practices	15	15	15	15	45
Written Evaluation Total	100	100	100	95	295

Minimum points
with 3 Evaluators

210

Meets minimum points

85